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Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet

Report of the Secretary-General

Summary

With the 2030 Agenda for Sustainable Development at its core, the present report is submitted in follow-up to my report released in June 2017 entitled "Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all" (A/72/124-E/2018/3).[a] The report responds to the mandates, due by December 2017, set out in General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, in which the Assembly specifically called for a system-wide strategic document for collective action to support the implementation of the 2030 Agenda for Sustainable Development, and a comprehensive proposal on further improvements to the resident coordinator system. In that context, the report elaborates on the proposals advanced in June and sets out the major changes required to ensure more coherent, accountable and effective support for the 2030 Agenda.

The system-wide strategic document, produced by the United Nations Development Group, charts a path for the system to work collaboratively, building on the strengths of each entity, to accelerate its alignment with the 2030 Agenda at the country, regional and global levels. It will remain a living document, to be updated and implemented by the Group on the basis of the full set of proposals put forward in the present report and their consideration by Member States.

The report elaborates on the vision and the initial proposals that I outlined in June and proposes seven key areas of transformation. Taken together, those proposals

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would allow for the emergence of a new generation of country teams, centred on a strategic United Nations Development Assistance Framework and led by an impartial, independent and empowered resident coordinator. A coordinated, reprofiled and restructured regional approach is proposed to fully support the work carried out on the ground, along with renewed spaces for Member States to guide system-wide action and bring about greater transparency and accountability for results. Steps will be taken for a stronger United Nations institutional response and system-wide approach to partnerships for the 2030 Agenda. A funding compact is also proposed to bring about better quality, quantity and predictability of resources in exchange for accelerated repositioning and enhanced capacities of the system to deliver on the 2030 Agenda, with increased transparency and accountability for results.

The 2030 Agenda is our boldest framework for advancing the well-being of humankind. Its soaring ambition — to ensure peace and prosperity for all on a healthy planet — requires equally bold changes across the United Nations. This imperative for change was at the core of resolution 71/243. It was also the guiding force behind my vision and initial set of proposals for repositioning the United Nations development system. The international community can take action to galvanize efforts to achieve the Sustainable Development Goals and better serve the world's people. The present report sets out concrete proposals for doing just that.

One year after the adoption of resolution 71/243, we are moving ever closer to delivering a repositioned United Nations development system and honouring the ambition of the 2030 Agenda. This is a unique opportunity — and shared responsibility — that we simply cannot fail to take. The present report is about delivering for the people we serve, staying true to our ambitious shared goals and making good on our collective pledge to leave no one behind. It is our promise for a future of dignity, prosperity and peace on a healthy planet. Together, we can deliver better results for the people we serve.

[*] The edited version of the report was issued on 11 July 2017. The advance unedited version of the report was released in June 2017, in compliance with the mandates of General Assembly resolution 71/243.

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I. Introduction: the 2030 Agenda is our imperative for change

1. The 2030 Agenda for Sustainable Development is our boldest framework for advancing the well-being of humankind. Its soaring ambition — to ensure peace and prosperity for all on a healthy planet — requires equally bold changes across the United Nations. This imperative for change was at the core of the landmark General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. It was also the guiding force behind my vision and initial set of proposals for repositioning the United Nations development system, as presented to Member States in my report of June 2017 entitled "Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all" (A/72/124-E/2018/3). The international community can take action to galvanize efforts to achieve the Sustainable Development Goals and better serve the world's people. The present report sets out concrete proposals for doing just that.

2. Since June, we have undertaken intensive consultations with Member States, United Nations entities, an expert reference group and other stakeholders to hear all perspectives. We have also commissioned analytical papers by internal and external specialists to examine all issues in detail. That outreach and analysis have helped to build upon my earlier package of ideas.

3. The 2030 Agenda integrates the economic, social and environmental dimensions of development, thus serving as a guide for all United Nations agencies, funds and programmes. It is rooted in human rights and highlights the importance of strengthening institutions and governance. Through its pledge to leave no one behind, it places a focus on women and girls, youth, persons with disabilities, indigenous people and other vulnerable groups who continue to see their potential undermined by poverty and exclusion. Universal in scope, it recognizes each country's primary responsibility for its own sustainable development. At the same time, the Agenda calls for collective action on an unprecedented scale.

4. The 2030 Agenda is our imperative for change. The paradigm shift reflected in the Agenda requires significant adjustments in the skill sets, leadership, and coordination and accountability mechanisms of the United Nations development system. Our efforts must continue to be based on three key principles: reinforcing national ownership; developing country-contextual responses; and ensuring the effective delivery of development results on the ground.

5. It is my mission to ensure that the United Nations, its institutional set-up, the quality of its support and the scale of its results meet the ambition of the 2030 Agenda. Over many decades, the United Nations development system has been a pivotal partner for development cooperation. Today, our world faces a multiplicity of complex challenges, including climate change, the erosion of human rights, inequality and exclusion, migration and displacement, demographic transitions, rapid urbanization and other global megatrends. The United Nations has a distinct and crucial role to play in addressing those twenty-first-century challenges. Making the greatest impact for people and planet will depend on our thinking and acting in the boldly different ways demanded by the Agenda. This is our moral obligation as we support all nations in eradicating poverty and setting the world on a sustainable path.

A. Transforming the United Nations

6. Prevention is at the centre of our efforts to adapt and properly equip the United Nations to end conflicts, address the impacts of climate change and mitigate threats to the cohesion and well-being of societies. Working transparently with Member

States, I have outlined major changes to the Organization, with three strategic priorities: enhancing our contribution to sustainable development; reforming the peace and security architecture of the Secretariat to strengthen United Nations action before and after a crisis and ensure more agile and effective capacities to sustain peace; and improving our own internal management in order to deliver. I have also taken steps towards achieving gender parity, eliminating sexual exploitation and abuse and protecting whistle-blowers.

7. Those priorities are mutually reinforcing. Achieving greater coherence and accountability within each pillar will generate better collaboration and enhanced synergies among the pillars. Stronger integrated planning and risk management capacities will bolster the system's ability to anticipate risks and draw on system-wide assets and expertise. Simplified procedures, decentralized action and investment in our human resources — our greatest asset — will underpin all efforts.

8. Management reform will provide the Secretariat with the necessary flexibility, accountability and delegated authority to engage with United Nations country teams, where needed. This will include co-location and the optimization of common back-office functions. Programme planning by the Secretariat will be more clearly linked to the Sustainable Development Goals, allowing for system-wide reporting on collective support for the implementation of the 2030 Agenda. In addition, management reform will include measures to broaden the scope of the mechanism of unforeseen and extraordinary expenses to also cover the areas of development. This will ensure more flexible deployment of resources and investments in innovative, long-term approaches in response to natural disasters and other systemic shocks.

9. All reform streams share the same aspiration: to strengthen the effectiveness of the Organization in meeting all its mandates and to enhance leadership and accountability for results and the use of resources; in other words, to ensure a responsive United Nations that delivers better results for people and planet.

B. Repositioning the United Nations development system

10. In resolution 71/243, the General Assembly underscored the urgency of better positioning the United Nations development system to address the full range of development challenges and opportunities. Moreover, the Assembly instructed the system to align its functions and capacities with the 2030 Agenda in order to be more strategic, accountable, transparent, collaborative, efficient, effective and results-oriented.[1]

11. In June 2017, as requested by Member States and after careful consideration of their guidance, in-depth data analysis and extensive consultations, I offered an initial vision of a repositioned United Nations development system to support the implementation of the 2030 Agenda. I outlined concrete ideas and actions that together offer a road map for change to significantly enhance the system's effectiveness, cohesion, leadership and accountability. Such an approach would lead to better system-wide coordination, planning and accountability at the country level, with substantially improved linkages to the regional and global levels. It would give the system the tools and expertise necessary to provide Governments with integrated support, spanning policies, partnerships, financing and data.

12. As stressed in my report of June 2017, the envisaged approach is realistic. It proposes significant changes to enhance the system's coordination function and

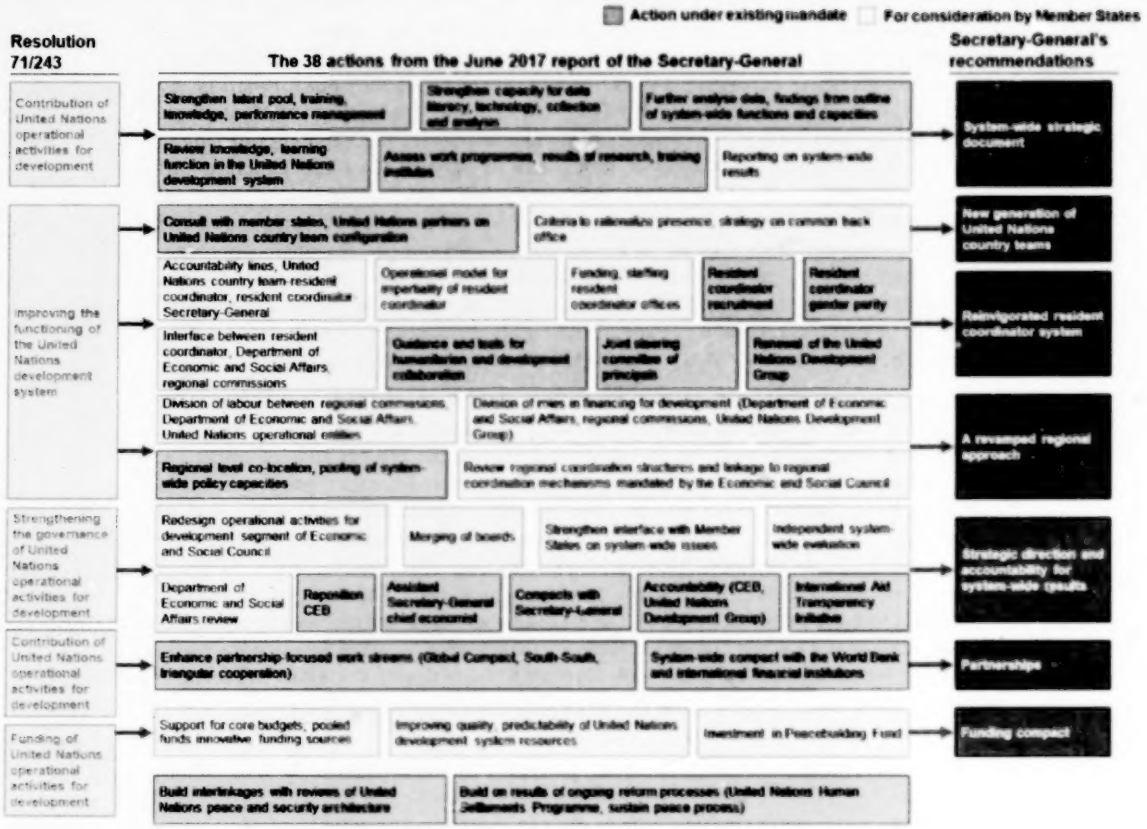
[1] Resolution 71/243, second preambular para.

address the fragmented funding base, which currently undermines our ability to meet the high bar set by Member States.

13. The present report provides more detailed proposals for translating our vision of a repositioned United Nations development system into reality. It presents a package of seven major changes designed to reinforce one another. Those changes encompass measures across the 38 actions and recommendations put forward in my report of June 2017 (see figure I). They include: (a) the system-wide strategic document, to ensure collective responsibility and accelerate the alignment of United Nations development system support with the 2030 Agenda; (b) a new generation of United Nations country teams with enhanced skill sets, an optimized physical presence and consolidated and effective back-office support; (c) an empowered and impartial resident coordinator system; (d) a revamped regional approach, complemented by a strengthened Department of Economic and Social Affairs; (e) improved strategic guidance, transparency and accountability; (f) a system-wide approach to partnerships; and (g) underpinning all the other changes, a new funding compact between Member States and the United Nations development system.

14. The United Nations development system is at a pivotal moment. Across the world, one can see solid momentum behind the Sustainable Development Goals as civil society support grows, the private sector recognizes the benefits of engaging, and more and more leaders put their political weight behind the enterprise, which has so much potential for so many. The 2030 Agenda reflects the needs and hopes of people. It is aimed at completing the unfinished business of the Millennium Development Goals and transforming economies and consumption and production patterns, while protecting the environment and the dignity and rights of everyone. Two years into the period covered by the Agenda, there is no time to lose in reshaping the capacity of the United Nations to deliver. I know that Member States universally share this sense of urgency, and I look forward to their timely decisions to meet our shared goal of better serving people in need around the world.

Figure I
From June to December: the two reports of the Secretary-General


Action under existing mandate
For consideration by Member States
Resolution 71/243
The 38 actions from the June 2017 report of the Secretary-General
Secretary-General's recommendations
Contribution of United Nations operational activities for development
Strengthen talent pool, training, knowledge, performance management
Strengthen capacity for data literacy, technology, collection and analysis
Further analyse data, findings from outline of system-wide functions and capacities
System-wide strategic document
Review knowledge, learning function in the United Nations development system
Assess work programmes, results of research, training institutes
Reporting on system-wide results
Improving the functioning of the United Nations development system
Consult with member states, United Nations partners on United Nations country team configuration
Criteria to rationalize presence, strategy on common back office
New generation of United Nations country teams
Accountability lines, United Nations country team-resident coordinator, resident coordinator-Secretary-General
Operational model for impartiality of resident coordinator
Funding, staffing resident coordinator offices
Resident coordinator recruitment
Resident coordinator gender parity
Reinvigorated resident coordinator system
Interface between resident coordinator, Department of Economic and Social Affairs, regional commissions
Guidance and tools for humanitarian and development collaboration
Joint steering committee of principals
Renewal of the United Nations Development Group
Division of labour between regional commissions, Department of Economic and Social Affairs, United Nations operational entities
Division of men in financing for development (Department of Economic and Social Affairs, regional commissions, United Nations Development Group)
A revamped regional approach
Regional level co-location, pooling of system-wide policy capacities
Review regional coordination structures and linkage to regional coordination mechanisms mandated by the Economic and Social Council
Strengthening the governance of United Nations operational activities for development
Redesign operational activities for development segment of Economic and Social Council
Merging of boards
Strengthen interface with Member States on system-wide issues
Independent system-wide evaluation
Strategic direction and accountability for system-wide results
Department of Economic and Social Affairs review
Rapidion CEB
Assistant Secretary-General chief economist
Compacts with Secretary-General
Accountability (CEB, United Nations Development Group)
International Aid Transparency Initiative
Contribution of United Nations operational activities for development
Enhance partnership-focused work streams (Global Compact, South-South, triangular cooperation)
System-wide compact with the World Bank and international financial institutions
Partnerships
Funding of United Nations operational activities for development
Support for core budgets, pooled funds innovative funding sources
Improving quality, predictability of United Nations development system resources
Investment in Peacebuilding Fund
Funding compact
Build interlinkages with reviews of United Nations peace and security architecture
Build on results of ongoing reform processes (United Nations Human Settlements Programme, sustain peace process)

II. System-wide strategic document: realigning collective support for the 2030 Agenda

15. The implementation of the 2030 Agenda requires a level of integration and collaboration across various actors and sources, expertise, knowledge and support that most institutions have not previously attempted to achieve. Countries have taken the lead and are making important progress in anchoring the Sustainable Development Goals in their national development plans and results frameworks. Thus far, 114 Governments — of developed and developing countries alike — have requested United Nations support in beginning the implementation of the 2030 Agenda. Sixty-four Member States — one third of the membership of the United Nations — have publicly presented their progress towards the Goals through voluntary national reviews at the high-level political forum on sustainable development. An additional 42 will present their national reports in 2018.

16. In addition, United Nations country teams are taking steps to better align their work with the 2030 Agenda, including through revised United Nations Development Assistance Frameworks and joint programming tools that show the promise of cross-pillar approaches that integrate normative and operational mandates. Some entities of the United Nations development system have also aligned their strategic plans with the Agenda and are mainstreaming the Sustainable Development Goals into their

work. Others are implementing the standard operating procedures for "Delivering as one". The United Nations System Chief Executives Board for Coordination (CEB), having recently streamlined its own functioning, has elevated the importance of system-wide policy discussions to provide leadership for achieving the Goals.

A. Ensuring system-wide alignment with the 2030 Agenda

17. The scale and pace of the system's alignment with the 2030 Agenda, however, must be embraced and dramatically stepped up to match the ambition of the Agenda and the efforts and expectations of Member States. This was the main finding of the system-wide outline of functions and capacities of the United Nations development system, provided to Member States in June pursuant to resolution 71/243. The outline provided robust evidence that the United Nations development system has yet to complete its transition from the Millennium Development Goals to the 2030 Agenda. Its funding and staff remain focused on a limited number of Sustainable Development Goals, particularly those that evolved from the Millennium Development Goals framework.

18. Six key recommendations emerged from the system-wide outline of functions and capacities, to accelerate the realignment of the United Nations development system with the 2030 Agenda.

19. First, the system should enhance its capacities relating to integrated policy advice, support for the implementation of norms and standards, and data collection and analysis. This will require the strengthening and reprofiling of skill sets and the scaling-up of related resources. In addition, national capacity development remains the most critical function of the United Nations development system and must be given priority across all functions.

20. Second, the system requires more in-depth expertise to enhance its support for countries in leveraging financing, partnerships and technologies to support the achievement of the Sustainable Development Goals. Governments need to mobilize investments of all kinds — public and private, national and global — to achieve the 2030 Agenda, especially as they make the transition to a new set of Goals that require the transformation of behaviours, economies, industry and infrastructure.

21. Third, the outline revealed significant gaps in our collective support for water and sanitation (Sustainable Development Goal 6), energy (Goal 7), industry and infrastructure (Goal 9), sustainable consumption and production (Goal 12) and the environment (Goals 13, 14 and 15). It also showed that our investment in gender equality and women's empowerment remains insufficient. The system needs to fill those thematic gaps in its coverage of the Sustainable Development Goals and put in place effective mechanisms for ensuring the joined-up responses required by the transversal nature of those Goals. In addition, the outline revealed significant overlaps in our work, confirming the need for a better division of labour, enhanced coordination and effective accountability systems.

22. Fourth, the United Nations development system needs to be much more cohesive and integrated at the country level to expand the offer of "whole-of-system" expertise to countries. That means enhancing joint analysis, better harnessing internal knowledge and making existing data sets and sources more accessible. Specialized agencies, funds and programmes also need to be more accountable for system-wide mandates and actions, as well as for collective results.

23. Fifth, the entities of the United Nations development system need to improve and harmonize internal data collection mechanisms to produce comparable, system-wide data, with disaggregation at the global, regional and country levels. That will

enable better capturing of the system's collective investments in the Sustainable Development Goals, by function and capacity, and of results achieved, in line with the expectations of Member States and citizens. In doing so, the system also needs to scale up its support for national institutions as they strengthen their statistical and data management capacities.

24. Finally, collective support needs to be financially incentivized. Our funding base is highly fragmented, with 91 per cent of all non-core flows allocated to single-entity projects and only 6 per cent channelled through inter-agency pooled funds. More funding needs to flow into joint programming and other funding mechanisms that are outcome-based rather than project-based, and to foster collaboration rather than inefficient competition.

B. Guiding strategic action for collective results

25. In line with the demands of Member States,[2] the United Nations Development Group translated those recommendations into a system-wide strategic document.[3] The work was spearheaded by a core group of United Nations entities, under the overall guidance of the Chair of the United Nations Development Group and the direct leadership of the Group's Vice-Chair, in consultation with the full membership of the Group. It will remain a living document, to be updated and implemented by the Group on the basis of the full set of proposals put forward in the present report and their consideration by Member States. A first update, with a revised set of actions following the provision of feedback by Member States, will be submitted to the Economic and Social Council during the operational activities for development segment of its 2019 session.

26. The system-wide strategic document will guide and accelerate the system's alignment with the 2030 Agenda, focusing on concrete actions that would enhance the inter-agency approach, cohesion and accountability in its collective support for the Sustainable Development Goals. The document is constructed around four cornerstones: coherent and effective support for the 2030 Agenda across the Charter of the United Nations; system-wide functions that need to be strengthened in support of the Goals; system-wide instruments for collective results; and more effective funding mechanisms to underpin those efforts. Each cornerstone includes a set of time-bound actions to be implemented by the United Nations development system, with the United Nations Development Group at its centre.

27. The document is focused on measures that would provide enhanced capacities to ensure that the system is able to harness its comparative advantages to reduce overlaps and bridge gaps in its coverage of the Sustainable Development Goals. It identifies measures to reprofile and strengthen the skill sets of the United Nations development system to respond to the 2030 Agenda, including through a review of the work programmes and results of the various research and training institutes of the United Nations, as announced in my report of June 2017. It also outlines targeted system-wide flagship initiatives on Sustainable Development Goal skill sets or thematic areas that require immediate collective attention.

28. The document will ultimately serve as an accountability instrument to drive the process of change mandated in resolution 71/243. It will initially be framed for the period 2018–2019 and subsequently aligned with the four-year cycle of the

[2] In resolution 71/243, the General Assembly requested the heads of the entities of the United Nations development system, under the leadership of the Secretary-General, to develop a system-wide strategic document translating the recommendations resulting from the outline into concrete actions.

[3] See the annex to the present report.

quadrennial comprehensive policy review. I will be providing updates annually to the Economic and Social Council on the implementation of the strategic document, as part of the measures proposed in the present report for a stronger interface between the United Nations development system and the Council.

29. The actions outlined in the system-wide strategic document will build on and complement the actions already taken to reposition the system within existing resources and mandates. To strengthen strategic direction, oversight and accountability with respect to the system's collective contribution to the implementation of the 2030 Agenda, I have revitalized the United Nations Development Group to enhance strategic direction, impartial oversight and accountability regarding the system's in-country contributions to the implementation of the Agenda. I have also established a Joint Steering Committee to advance humanitarian and development collaboration. Operating under the chairmanship of the Deputy Secretary-General, both mechanisms rely on strong operational leadership by the respective Vice-Chairs.

30. Specifically, the Administrator of the United Nations Development Programme (UNDP) serves as the Vice-Chair of the United Nations Development Group, with critical functions in leading a core group of Development Group entities that ensures operational coordination and coherence and programmatic support for United Nations country teams, under the strategic guidance of the full Group. The Emergency Relief Coordinator and the UNDP Administrator serve as Vice-Chairs of the Joint Steering Committee, leading a joint support team in service of the Committee. I am also renaming the United Nations Development Group as the United Nations Sustainable Development Group to reflect the comprehensive, integrated nature and the scale of ambition of the 2030 Agenda. Those steps respond to the special mandates for greater system-wide cohesion set out in resolution 71/243.

31. In line with General Assembly resolution 70/299, I have also entrusted the new leadership of the Department of Economic and Social Affairs with strengthening and better aligning its work streams that provide support for intergovernmental processes for the review and follow-up of the 2030 Agenda and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development; and with stepping up its capacities for policy analysis and knowledge production. I envision that that will lead to an empowered, more effective, efficient and realigned Department that reasserts its role at the forefront of sustainable development policy at the global level and provides better support to Member States in achieving the 2030 Agenda. A key step towards a repositioned Department will be the imminent appointment of a chief economist, which will reflect the reprioritization of economics and finance for development and strengthen the system's policy capacities in those areas. I have requested the Department to report to me during the first quarter of 2018 on the outcome of its review, after which I will update Member States on the direction of its reform.

III. New generation of United Nations country teams

A. United Nations country team roles and responsibilities in the era of the Sustainable Development Goals

32. My vision of a new generation of United Nations country teams is based on country priorities and contexts. Country teams need to respond to a 2030 Agenda that is comprehensive, far-reaching and focused on reaching the furthest behind first. That entails taking new approaches to leadership (how resident coordinators can drive system-wide support and hold entities accountable), configuration (physical presence

and how agencies work together as a team) and reprofiling and capacities (resources, knowledge and skill sets).

33. The composition, skill sets and programmatic focus of country teams must better reflect the conceptual paradigm shift, universality and multidimensional nature of the Sustainable Development Goals. In many cases, country teams remain focused on a limited number of Sustainable Development Goals, particularly those that evolved from the Millennium Development Goals framework. In making that shift, the system will leverage its main comparative advantages: its ability to combine operational and normative support across all dimensions of sustainable development; its legitimacy and universal reach; and its near-universal presence in countries and deep understanding of national context and aspirations.

34. The United Nations development system must remain a relevant partner to all countries in their path towards the Sustainable Development Goals. Our priority focus will remain on the most vulnerable — least developed countries, landlocked developing countries, small island developing States, African countries and crisis-affected countries — but we will reinvigorate our support for middle-income countries and seek different forms of engagement with high-income countries regarding the 2030 Agenda. Our common cause is to leave no one behind, regardless of where the person lives. Country teams and resident coordinators need tools for adapting more flexibly to changing country needs, sometimes on an urgent basis. They also need enhanced capabilities in foresight methodologies and approaches that take volatility and complexity as their starting point to generate insights that enable transformative actions towards inclusive and sustainable development.

35. In ensuring universal but differentiated engagement with Member States, we are proposing a demand-driven model that ensures an optimized mix of United Nations operational capacities and expertise to support country priorities across the Sustainable Development Goals. It will be supported by strengthened inter-agency planning mechanisms, more creative models of physical presence and common services. It will rely on stronger linkages to specialized and non-resident agencies at the global and regional levels to expand the offer for national partners, and stronger partnerships with local authorities, parliaments, civil society, subregional, regional and international institutions, academia, businesses and philanthropic organizations.

B. Revisiting the United Nations Development Assistance Framework

36. To operationalize this model, the current United Nations Development Assistance Framework will be positioned as the single most important United Nations country planning instrument in support of the 2030 Agenda. The system will need a more robust planning process to identify the ideal United Nations development system set-up in each country. United Nations Development Assistance Frameworks will be reviewed and renamed to better reflect the comprehensive and integrated nature of the Sustainable Development Goals, which call for a reinvigorated partnership with Governments. Individual country programme documents will need to be fully aligned with the Frameworks. Where mandates are not part of operational activities for development, coherence will be achieved through a focus on collective contributions to national outcomes. This will help to ensure a stronger focus on institution-building and resilience from the outset of a crisis, and a smoother transition back into long-term development.

37. United Nations Development Assistance Frameworks should become a clear, action-oriented United Nations response to national development priorities in each country, integrating the Sustainable Development Goals. The Frameworks will take a similarly comprehensive and integrated approach in responding to the national

context and relevant regional dynamics over a five-year period. Frameworks will need to be more risk-informed to ensure that any threats to the Sustainable Development Goals and vulnerable populations are well anticipated and mitigated and, where possible, prevented. In situations of protracted crisis, multi-year humanitarian response plans should be harmonized with the Frameworks to ensure a focus on collective outcomes. Under clear national leadership, civil society, development partners, businesses and other stakeholders should be extensively engaged during the design, implementation, monitoring and evaluation of Frameworks. Finally, Framework evaluations should provide the basis for critical inquiry as an integral part of efforts to continuously improve performance and results.

C. Rethinking the configuration of the United Nations development system in-country

38. We need to shift from a model of presence in which most agencies are stand-alone to a model that provides a more tailored and integrated response to national priorities. It is critical that the United Nations development system move away from a somewhat standardized model of physical presence, which largely reflects the historical evolution of each individual entity. In the most recent quadrennial comprehensive policy review monitoring and reporting survey, more than half of Governments reported that it was "very important" that the United Nations "consolidate its country presence". This was also a strong message during our consultations with Member States, across all groups.

39. A strengthened United Nations Development Assistance Framework, agreed upon by the Government concerned, will be the point of departure in rethinking the activities, presence and composition of each United Nations country team. The composition of the team's membership should be defined at the outset of each Framework cycle, in an open discussion between the host Government and the United Nations development system, facilitated by the resident coordinator. This process would involve four steps:

(a) The first step will be determining the specific expertise required from the United Nations to respond to the needs and priorities of the country, as captured in the United Nations Development Assistance Framework;

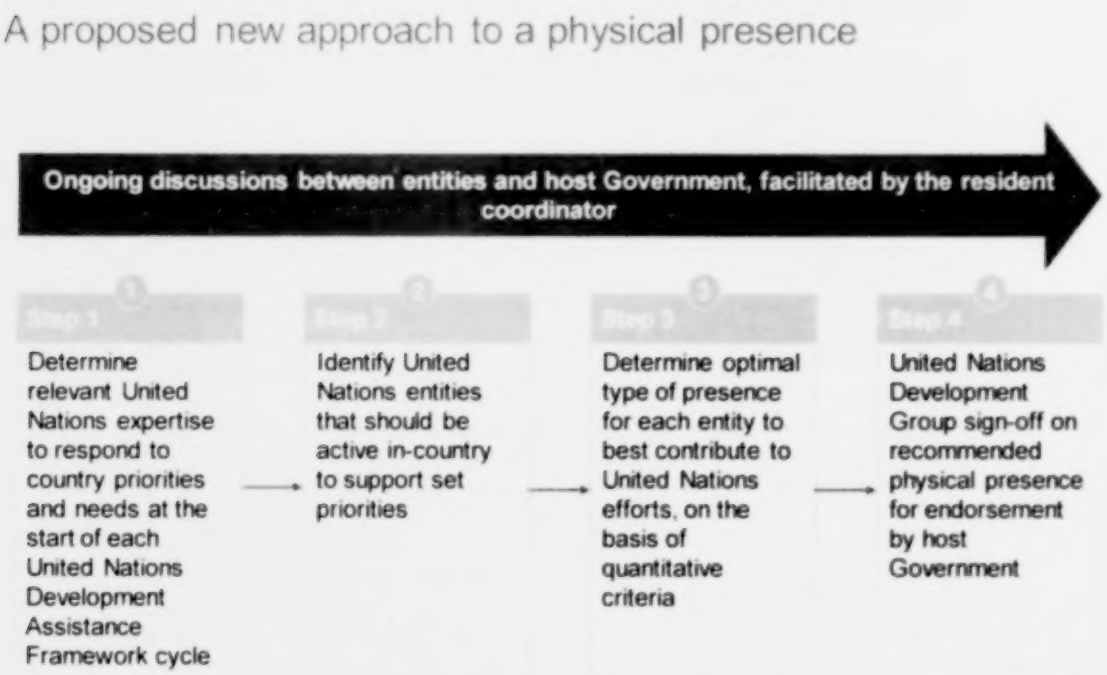
(b) Second will be the identification of entities that need to be active in-country given their comparative advantages in supporting the set priorities. In assessing comparative advantages, it will be important to bear in mind the defined mandates and responsibilities of normative entities, which they will continue to hold;

(c) Third, United Nations country teams and host Governments will employ a set of indicative criteria to evaluate whether the scale of programmatic activity of an entity would outweigh operational and administrative costs. This would be based on relative thresholds, specifically, the ratio of programmatic spending compared with operational costs, as well as the identification of entities with expenditures of less than 10 per cent of the total annual expenditure of the country team. The use of relative thresholds was preferred over absolute thresholds to allow for sufficient nuance to reflect contextual differences, even within countries of similar sustainable development status;

(d) Finally, the United Nations entity concerned, with the advice of the resident coordinator, will consider the need for — and the type of — physical presence in-country. On that basis, the resident coordinator will submit to the United Nations Development Group the proposed composition of the country team for internal sign-off and subsequent recommendation to the host Government.

40. Those steps are designed to ensure a flexible, effective and efficient approach that reasserts the principle of national leadership. Exceptions will occur at government request or for entities that do not meet staff or budget thresholds but may necessitate a type of presence for effective response to United Nations Development Assistance Framework priorities.

Figure II
Indicative criteria for determining a presence in-country


A proposed new approach to a physical presence
Ongoing discussions between entities and host Government, facilitated by the resident coordinator
Step 1
Determine relevant United Nations expertise to respond to country priorities and needs at the start of each United Nations Development Assistance Framework cycle
Step 2
Identify United Nations entities that should be active in-country to support set priorities
Step 3
Determine optimal type of presence for each entity to best contribute to United Nations efforts, on the basis of quantitative criteria
Step 4
United Nations Development Group sign-off on recommended physical presence for endorsement by host Government

41. This approach for determining agency presence will facilitate concentration on the right system-wide capacities and encourage more integrative, effective and agile ways of working. Entities that do not meet the criteria outlined above would continue their activities in-country by leveraging the presence and capacities of the broader United Nations system, the Government and/or external partners. Many entities have already started to look at more cost-effective ways to support Governments and have explored alternative models such as secondment and co-location within the office of the resident coordinator or other agencies with related mandates. We must systematize these models and approaches. Resident coordinators will also need to proactively and regularly engage non-resident agencies, ensuring their participation in the formulation of United Nations Development Assistance Frameworks and in country team meetings.

42. The approach will also maximize the effectiveness and impact of United Nations country teams operating in very specific circumstances and geographical contexts. The mix of a needs-based approach and quantitative criteria will provide for a practical and cost-efficient yet nuanced approach. It will allow us to "modulate" the United Nations presence according to the unique set of priorities and circumstances of each country. Small island developing States, for example, require adequate responses to their specific challenges, stemming from their small size, narrow

resource base and vulnerability to climate change and economic shocks. In implementing a new generation of country teams in such contexts, we must review and tailor appropriately the configuration, role and development services of the United Nations multi-country offices.

D. Common business services and back-office functions

43. I remain committed to advancing common business operations in United Nations country teams. This is a long-standing call by Member States and a critical step to enable joint work and generate efficiencies that can be redeployed as part of programmes. We have therefore proceeded with a review of the system's current approach to business operations, in consultation with entities of the United Nations Development Group. The review has confirmed the significant potential of common business operations.

44. Moving forward, I intend to build on the progress achieved in recent years as part of the "Delivering as one" approach. In doing so, the roll-out of the Business Operations Strategy at the country level must be scaled up further. I encourage all United Nations country teams to ensure compliance with an improved Business Operations Strategy by 2021, building on the existing 26 country experiences. Progress towards that goal is also contingent on progress on the mutual recognition of policies and procedures by entities of the United Nations development system. Accordingly, I request all entities to accelerate their efforts to meet the mandate, set out in resolution 71/243, to operate according to the principle of mutual recognition of best practices in terms of policies and procedures, with the aim of facilitating active collaboration across agencies and reducing transaction costs for Governments and collaborating agencies.[6]

45. We must also ensure greater economies of scale and more strategic utilization of common premises, which are our most important and costly physical assets. We have more than 2,900 United Nations premises around the world, of which only 16 per cent are common premises. We will seek to increase the proportion of United Nations common premises to 50 per cent by 2021. To move towards that target, I have requested the United Nations Development Group to conduct a review to determine locations where there would be operational viability and government interest to spearhead common premises.

46. In moving towards a new generation of country teams, we need to take a step forward in our ambition. A stronger focus on common business operations could yield substantial savings that could be redeployed to programmes. In addition, it will allow us to better integrate technologies and apply advanced management practices. That in turn will increase the quality of services, provided in terms of both client satisfaction and compliance with risk metrics and controls. Finally, and most crucially, this will allow United Nations entities to focus on their mandates and programmatic functions.

47. I am therefore requesting the High-level Committee on Management and the United Nations Development Group to devise a strategy that would see the establishment of common back offices for all United Nations country teams by 2022. That will mean that all location-dependent services would be consolidated at the country level. While our focus will remain on the business operations on the ground, a redesign of headquarters structures may also be required. As part of that effort, we will explore various options, including the possible consolidation of location-independent business operations into six to seven networks of shared service centres. The networks would be managed by the larger entities in the system to take advantage

[6] Resolution 71/243, para. 52.

of their scale and geographical coverage and would offer services to other entities in the system.

48. In the immediate term, we will proceed by launching pilots to test these approaches and inform the way forward. The pilot phase would be based on an opt-in/opt-out model to ensure swift progress on the part of interested entities. It would be supported by a full-time inter-agency team. This would also require that all United Nations entities conduct a high-level review of the business operations services that they could offer to — or purchase from — other entities in the system.

49. Finally, the culture of our corporate business operations must change from risk-adverse compliance to risk-informed service. To help propel and monitor such a change, and drawing on best practices in other industries, I have called on all entities of the United Nations development system to measure client satisfaction with regard to all back-office services.

IV. Reinvigorated resident coordinator system: impartial, independent, empowered

50. A reinvigorated resident coordinator system is at the centre of a repositioned United Nations development system. In resolution 71/243, the General Assembly requested a comprehensive proposal on further improvements to the resident coordinator system, based on enhanced leadership and responsibility with respect to the United Nations country team. In response, I shared in June my initial vision of an impartial and empowered resident coordinator system. The follow-up review has strengthened our conviction that the system requires bold changes. While the system has been instrumental in driving coherence on the ground over the past four decades, it is now insufficiently robust to respond to the needs of the 2030 Agenda.

51. In resolution 71/243 itself, the General Assembly acknowledged several factors that limit the capacity of resident coordinators, including lack of sufficient leadership, prerogative, impartiality, management tools, experience and skill sets. [5] That diagnostic was also reflected in the latest quadrennial comprehensive policy review monitoring survey, in which Governments voiced their interest in seeing resident coordinators play a stronger role to boost the system's impact, while reducing the transaction costs for national partners. In the extensive consultations carried out in recent months, we heard repeatedly — from Member States, resident coordinators, United Nations country teams and other stakeholders — that a significant change in coordination would be critical to a transformational change in the United Nations development system.

52. The resident coordinator system should shift towards a more integrated working model that can better support the achievement of the Sustainable Development Goals, with greater accountability and impartiality. The new system will require placing greater authority in the resident coordinator; increasing the relevance of substantive capacities of agencies, funds and programmes vis-à-vis local needs; establishing clearer accountability lines for collective results; and ensuring adequate funding and resources to incentivize system-wide efforts. This model will build on various innovations and lessons learned within and outside the system, including enabling tools at the disposal of resident coordinators/United Nations country teams and clear, impartial systems for the recruitment and appraisal of resident coordinators.

[5] Resolution 71/243, para. 55.

A. Aligning skills and profiles with national sustainable development needs

53. Serving as a resident coordinator is one of the most challenging job profiles in the United Nations. Yet, more will be required as the capacities, selection and deployment of resident coordinators will have to respond to shifts in the demands of the 2030 Agenda. Several critical changes need to be implemented.

54. First, resident coordinators must be strong sustainable development professionals with a deep understanding of the conceptual shift to the 2030 Agenda and of national planning processes. Underpinning those abilities should be strong leadership, team-building and communications skills to drive coherence in a collaborative manner. In addition, resident coordinators will need robust knowledge on policy integration, data, innovation and partnership development to respond to the needs of the 2030 Agenda. Financial literacy will be increasingly important as United Nations country teams step up their support for realigning, mobilizing and leveraging financing for the implementation of the Sustainable Development Goals. Resident coordinators must also have the requisite political acumen to maintain an effective partnership with host Governments, including local authorities and parliaments, and other development actors.

55. Second, resident coordinators must be able to draw on the expertise and assets of the entire United Nations system to address the development priorities of Member States. They should be capable of steering the substantive contributions of the United Nations system to the implementation of the 2030 Agenda and of leading United Nations country teams on integrated analysis, planning and foresight processes to deliver results. In that regard, we will increasingly consolidate efforts in the current processes for resident coordinator/humanitarian coordinator assessment, induction, training, skills and leadership development under one team. This should yield more integrated global support for these field leaders.

56. Third, resident coordinators must be better prepared to work across the development-humanitarian-peacebuilding continuum. That includes a strong understanding of relevant United Nations normative frameworks and the ability to translate those norms and standards into system-wide analysis planning and programming towards the Sustainable Development Goals. Where country contexts so require, resident coordinators should have the competencies to effectively lead humanitarian responses. In conflict and post-conflict settings, they will need to ensure that United Nations country teams work in an integrated manner with United Nations peacekeeping or political missions to fully contribute to building resilience and sustaining peace. We should also take steps to improve inter-agency mobility and ensure that it is adequately incentivized — including across United Nations pillars — as we strengthen the pipeline for the resident coordinators of the future.

57. Fourth, the pipeline of resident coordinators must bring the best and brightest sustainable development professionals internationally. Gender parity and geographical diversity are critical in aligning resident coordinator skills and profiles with the needs of countries and the 2030 Agenda. There is a good foundation on which to build: 47 per cent of resident coordinator positions are currently held by women. We now need full parity and an equal effort to achieve geographical balance.

58. Moving forward, we will maintain the requirement for independent, merit-based assessment for every new resident coordinator. In doing so, we will explore ways to strengthen the transparency and independence of the inter-agency appointment process and to facilitate increased access for qualified individuals outside the United Nations. In line with the management and peace and security reforms, I also plan to streamline the functions and various programmes of leadership development provided

to the different roles played by resident coordinators, such as designated security official and humanitarian coordinator.

B. Strengthening leadership and accountability

59. Accredited as my designated representatives for development operations at the national level, resident coordinators should operate within a clear framework for management, accountability and governance. And they will need to be backed by a strengthened resident coordinator office and access to pooled funds that can facilitate much more integrated support.

60. A set of minimum authorities should be institutionalized to enable resident coordinators to fulfil their roles. Resident coordinators will lead the United Nations country team in consultations with the host Government to define and agree on the United Nations strategic response to the Government's priorities. In the absence of consensus within the country team, the resident coordinator will make final decisions on the strategic objectives in the United Nations Development Assistance Framework, in line with resolution 71/243[6] and in accordance with the agreed dispute resolution mechanism. Resident coordinators should also have a role in informing the country-level presence and leadership profile of country team members, as well as in the sign-off on relevant programmes to ensure alignment with Framework priorities. In addition, all inter-agency pooled funding in support of country-level work should be vetted by the resident coordinator and captured in the Framework to ensure alignment with national priorities. These minimum authorities will build on the current leadership role of the resident coordinators over joint activities of the country team, including support for and oversight of results groups, joint programmes and other inter-agency initiatives.

61. A matrixed reporting model will be required to ensure accountability for individual mandates as well as collective results. United Nations country team members will remain fully accountable to their respective entities as they deliver on their mandates. At the same time, the entity leadership must support collective responses for the delivery of results on the ground. Country team members therefore will maintain a direct reporting line to the headquarters of their agency, fund or programme regarding all in-country activities. In addition, country team members will report to resident coordinators on the implementation of the 2030 Agenda, in the context of mutual accountability. In defining the scope of accountability for collective results, resident coordinators and the members of the country team concerned will discuss which activities, for the purposes of oversight and coordination, need to remain outside the United Nations Development Assistance Framework and tied directly to entity headquarters, owing to the nature of certain mandates, normative functions or other exceptional circumstances.

62. We will also build on the current United Nations country team performance appraisal system to strengthen mutual accountability, under the strategic leadership of the United Nations Development Group. The resident coordinator will appraise the performance of members of the country team, and the country team heads would continue to inform the performance of resident coordinators. This performance assessment system must be reflected in the job descriptions, performance appraisals and relevant programme documents of country team members. Dual reporting lines, taken together with strengthened accountability, will bring about two critical changes for greater impact on the ground: they will strengthen the ability of the resident coordinators to steer country teams towards collective results of the United Nations

[6] Resolution 71/243, para. 57 (a).

Development Assistance Framework, and they will enhance mutual accountability within country teams for shared performance against country priorities.

63. An empowered and impartial resident coordinator system needs to be underpinned by a collectively owned dispute resolution mechanism. The dispute resolution mechanism will seek to resolve disputes between the resident coordinator and entity representatives over such issues as strategic priorities of the United Nations Development Assistance Framework, programmatic gaps and overlaps, or where the resident coordinator believes that individual country programmes might run counter to the Framework. In such instances, the resident coordinator can adjudicate after consulting with the regional team of the United Nations Development Group and the relevant regional director. As a last resort, the matter will be escalated to the Development Group.

64. Resident coordinators will continue to be double-hatted as humanitarian coordinators, and triple-hatted as deputy special representatives of the Secretary-General, in relevant contexts. An improved resident coordinator system will clearly define authorities in situations of humanitarian crisis or peacebuilding. The accountability lines between the resident coordinator/humanitarian coordinator and the Office for the Coordination of Humanitarian Affairs will also be reinforced, to ensure that the resident coordinator/humanitarian coordinator is fully empowered and supported to carry out humanitarian functions.

65. The resident coordinator offices will need to be adequately staffed to ensure sufficient substantive capacities to lead United Nations country teams. Specific requirements will vary depending on needs and contexts. A review against the 2030 Agenda and based on inputs by current resident coordinators suggests the need for a minimum capacity of five substantive staff members in each resident coordinator office. This will include experts in coordination and strategic planning, economics, tailored policy support, results monitoring and evaluation, and strategic partnerships. The mix of international/national staff will be defined according to each country context, with a preference for national staff whenever possible.

66. To augment this core capacity, I propose that an integrated communications structure be formed in each country by co-locating and merging the country offices of the United Nations information centres with resident coordinator offices. United Nations information centre staff have substantial experience and extensive networks in nearly 50 countries and good linkages to national-level stakeholders and United Nations Headquarters. Merging these two capabilities will generate a robust standing communications capacity within United Nations country teams, working alongside communications specialists from all entities to boost impact, while producing significant cost savings.

67. Additional capacities will be identified on a country-by-country basis, including through the co-location or secondment of staff from individual entities in resident coordinator offices. In moving towards a more streamlined country presence, the resident coordinator will also be expected to represent other United Nations entities more systematically. Depending on the country context, resident coordinator offices will also host other system-wide capacities, including peace and development advisers, as well as experts on gender equality, humanitarian action and human rights. In countries where resident coordinators are double- or triple-hatted, they will be expected to receive integrated support across development, humanitarian and peacebuilding entities to drive an integrated response.

C. Achieving independence and impartiality

68. A reinvigorated resident coordinator system will require the full separation of the functions of the resident coordinator and the UNDP resident representative. Concerns have been consistently expressed regarding the organizational structure of the current resident coordinator system. In our consultations, in addition to questions regarding the impartiality of the function, several interlocutors voiced concerns about the effectiveness of the current system.

69. Coordinating collective support at the country level for the achievement of the Sustainable Development Goals is not a part-time job. Currently, the time and energy allocated to coordination by the individual performing the functions of both resident coordinator and UNDP resident representative vary greatly. In some contexts, such as "Delivering as one" countries, resident coordinators may spend nearly 90 per cent of their time on system-wide matters. In others, however, respondents have estimated the division of time at 50-50. The 2030 Agenda and the subsequent changes requested by Member States demand fully empowered, full-time resident coordinators. Our analysis shows that the separation of functions is viable and could efficiently bolster the capacity and impact of the resident coordinator to deliver collective results towards the achievement of Sustainable Development Goals on the ground.

70. A strong United Nations development system, led by the resident coordinator at the country level, will continue to rely on a strong and responsive UNDP. While concerns about the current system were voiced, I also heard about the indispensable value to national efforts of the unique mix of resources of UNDP, including in the provision of development services, policy support and strong working partnerships with Governments. Its comprehensive mandate and track record in the areas of capacity development, addressing multidimensional poverty and building accountable and effective institutions position it as a key vehicle for supporting the integrated, multisectoral and multi-stakeholder approach at the heart of the envisioned United Nations country teams. Repositioned as the integrator platform at the heart of a new generation of country teams, UNDP assets and expertise should be placed at the service of the wider development system through the leadership of the resident coordinator. As a standard practice, resident coordinators will continue to be co-located with UNDP on common premises.

71. The operational platform and advisory services of UNDP will serve as a bedrock for the United Nations country teams and the new resident coordinator system. This will involve a dual role for UNDP: first, making available for resident coordinators and country teams the technical expertise and advisory services required to lead system-wide planning, risk management and support for the localization and monitoring of Sustainable Development Goals and financing for development. Activated in response to government demand and drawing on the specialized assets of the system, the UNDP integrating platform will help to pool United Nations expertise or mobilize external partners for support for Governments across the Sustainable Development Goals, including those currently underserviced by the United Nations development system. The platform is therefore designed to reinforce the symbiotic relations between the resident coordinator and the wider United Nations development system. Second, UNDP will continue to provide back-office support to resident coordinators and their offices, including all administrative and operational requirements related to the coordination function, on the basis of a fee-for-service model.

72. Changes at the country level must be matched with supporting measures at the regional and global levels. Resident coordinators will require managerial, strategic, operational and policy support functions to enable delivery at the country level.

Currently, UNDP provides policy support and expertise, while the Development Operations Coordination Office carries out other strategic and policy support functions and regional teams of the United Nations Development Group carry out managerial and operational functions. Those capacities will be increasingly important as we make the transition to a new generation of United Nations country teams and a reinvigorated resident coordinator system, but the relevant arrangements and reporting lines of the resident coordinator system will be adjusted.

73. The Development Operations Coordination Office will also need to be transformed to match the demands of the new system. The Office provides the substantive secretariat that supports the United Nations Development Group, including its Chair and Vice-Chair and its core group and strategic results groups. It engages in liaison with regional mechanisms of the Development Group and provides support for the development of operational guidance by the Group. It also supports the work of resident coordinators and United Nations country teams with advice on, inter alia, United Nations Development Assistance Framework implementation, joint communications, integrated business operations, and integrated approaches to the mainstreaming of core norms, values and principles. Finally, it supports the leadership assessment, selection and professional development of resident coordinators. While the Office has developed and nourished in-house expertise in those areas, enhanced capacities and expertise will be required to effectively support a reinvigorated resident coordinator system.

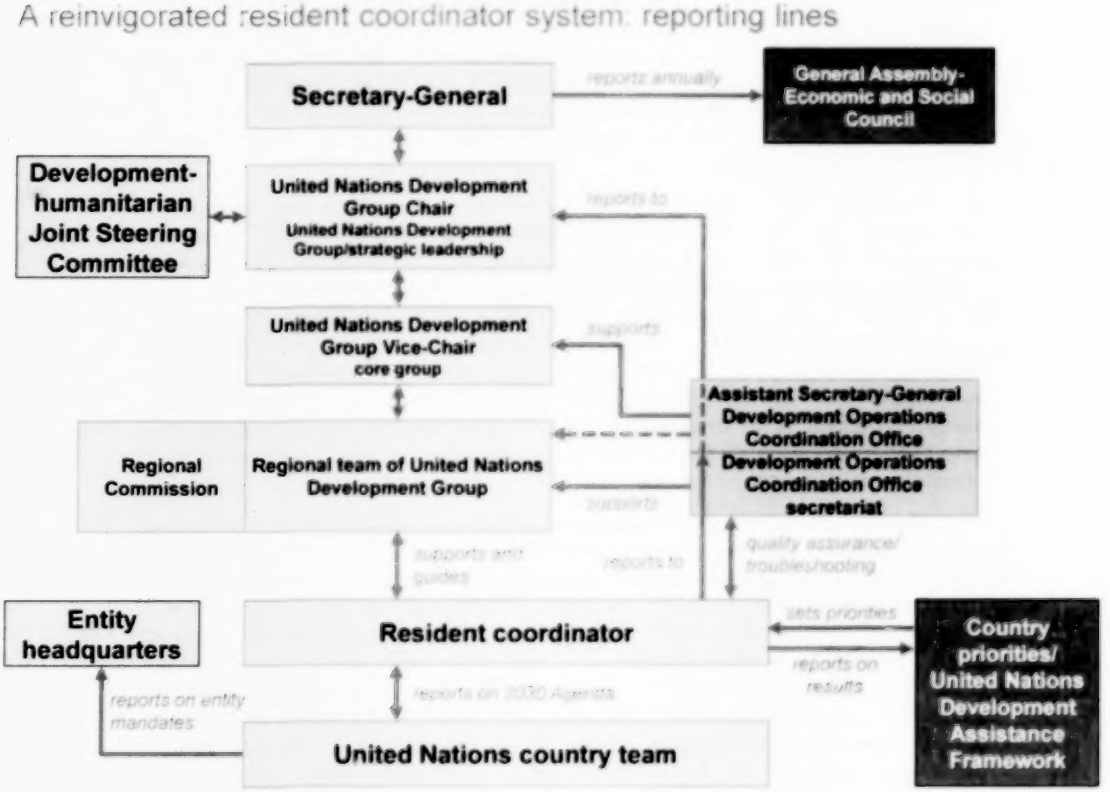
74. The Development Operations Coordination Office will also assume managerial and oversight functions of resident coordinators. These are functions currently performed by the Chairs of the regional teams of the United Nations Development Group, who also serve as UNDP regional directors at the Assistant Secretary-General level. With those functions transferred to the Office, resident coordinators will have a direct reporting line to the Secretary-General with a more impartial intermediate structure, functionally detached from any specific entity. In carrying out this oversight and management role, the Director of the Office will report directly to the Deputy Secretary-General as the Chair of the United Nations Development Group and will have overall responsibility for developing the talent and appraising the performance of resident coordinators.

75. The Director of the Development Operations Coordination Office will also provide troubleshooting, quality assurance, advisory and dispute resolution services in close liaison with the relevant regional team of the United Nations Development Group and other senior officials of the system. It is envisioned that the Director will chair annual performance assessments of resident coordinators in the six regional teams of the Group, which will continue to include the regional directors of entities of the United Nations development system. A representative of the regional economic and social commissions and the Department of Economic and Social Affairs will be part of these appraisal processes, as ex officio members, to incentivize policy-operational coherence in the work of resident coordinators and United Nations country teams.

76. Day-to-day programmatic support, policy guidance and technical support for United Nations country teams, quality assurance with respect to United Nations Development Assistance Frameworks, country team standard operating procedures for "Delivering as one" and joint initiatives, as well as day-to-day support for resident coordinators and country teams, will be backstopped through better-resourced regional desks of the Development Operations Coordination Office, working in close collaboration with the regional teams of the United Nations Development Group and its core group, chaired by the Vice-Chair of the Group. Of particular focus under the new arrangement will be a more formal sign-off by all regional teams of the Group on more robust, strategic Development Assistance Frameworks.

77. To perform these additional functions and ensure more impartial and effective oversight of and support for resident coordinators, I recommend the restructuring of the Development Operations Coordination Office as a stand-alone coordination office, headed by an Assistant Secretary-General reporting directly to the Deputy Secretary-General as Chair of the United Nations Development Group. The Development Operations Coordination Office will also be renamed as the United Nations Sustainable Development Group Office to reflect the expected increased ownership by the United Nations Development Group of the development coordination function and the comprehensive and integrated nature of the 2030 Agenda.

Figure III
A reinvigorated resident coordinator system



D. Enabling results through new funding arrangements

78. In proposing measures to reinvigorate the resident coordinator system, I have exercised caution by optimizing current arrangements to the extent possible and minimizing additional costs. The envisioned system will be strongly anchored in the assets and resources of the entire United Nations development system, including the integrating platform of UNDP. However, a truly reinvigorated system, able to meet the ambition of the 2030 Agenda, will come at a financial cost. This is a shared

expectation, and a joint responsibility, of the United Nations development system and Member States as we move away from an underfunded resident coordinator system.

79. At present, the basic cost of the resident coordinator system is $175 million per annum. That amount includes: (a) the cost of resident coordinators in 129 countries; (b) a driver for and an assistant to the resident coordinator in each of those 129 countries; (c) an average of four staff members per resident coordinator office; (d) 12 coordination officers to support the six regional teams of the United Nations Development Group; (e) an estimated 50 per cent of the working time of six UNDP Assistant Secretaries-General, in their role as Chairs of the regional teams of the Group; (f) the current cost of the Development Operations Coordination Office; (g) services and facilities costs; and (h) the travel costs of the resident coordinators. To date, this basic cost has been covered predominantly by the UNDP budget. It is also covered by contributions from members of the United Nations Development Group, determined through an agreed cost-sharing formula, as well as by ad hoc contributions from Member States, and includes other, less tangible, costs incurred by the system.

80. A reinvigorated system will cost $255 million, with the separation of the functions of the resident coordinator and the UNDP resident representative and enhanced capacity to drive a more integrated United Nations response at the country level. This represents an increase of $80 million compared with the current, underfunded resident coordinator system. The increased amount reflects: (a) an additional staff member per resident coordinator office on average, with a minimum requisite capacity of five staff members and reprofiled competencies to cover coordination and strategic planning, economics, tailored policy support, results monitoring and evaluation, and strategic partnerships; (b) two additional Professional support staff for each regional team of the United Nations Development Group; and (c) a significant enhancement of the capacities of the Development Operations Coordination Office commensurate with its strengthened role.

81. In addition, I strongly recommend that a discretionary integration fund of $270,000 on average per resident coordinator office be established to catalyse in-country efforts for priority initiatives. Such discretionary funds will enable the resident coordinator to incentivize collaboration and draw catalytically on the assets of the United Nations development system, including non-resident and specialized agencies, funds and programmes. The total cost of such a fund will be $35 million for the resident coordinator system in 129 countries.

82. In total, the amount required for the new resident coordinator system and the integration fund is equivalent to less than 1 per cent of the $29.5 billion in contributions to United Nations operational activities for development provided in 2016. In addition, more substantial, programmatic, global pooled funding, open to all countries, should be established to empower resident coordinators to foster joint efforts to advance nationally determined Sustainable Development Goal priorities. This proposal and related considerations are set out as a key part of the funding compact (see sect. VIII below).

83. We have carefully reviewed various options for ensuring sustainable funding for a new resident coordinator system. These include voluntary funding; cost-sharing by the United Nations development system; a regular budget for specific requirements; and other innovative approaches, as well as various combinations of those options. These approaches fall short of meeting the high expectations of a new resident coordinator system that is impartial and resourced with predictable funding to support a universal agenda.

84. We need a system that is not dependent on the vicissitudes of voluntary funding or inter-agency cost-sharing arrangements that require support from a multiplicity of

governing bodies and are not working optimally. The volatility of voluntary funding could have devastating effects on the United Nations development system and the countries that it serves, at a moment when cohesive support is more important than ever. The development coordination function of the United Nations will require adequate and predictable resources to be credible.

85. I recommend that Member States consider funding the core capacities of the resident coordinator system through assessed contributions, at an approximate cost of $255 million, to ensure that it has adequate, sustainable, predictable and long-term funding to perform its critical functions. It would be a logical step as the Organization repositions sustainable development at the heart of its work. A reinvigorated resident coordinator system is indispensable for a more integrated response by the United Nations development system. Additional capacities and resources, including for the proposed discretionary integration fund, would continue to be funded through extrabudgetary, voluntary contributions.

86. Development coordination is a core function of the Organization. It needs to be owned by all Member States if resident coordinators are to be the impartial and competent catalysts that the new agenda requires. Assessed funding would also guarantee the predictability of that function — and its physical presence — to continue to support countries as they proceed on their sustainable development paths. A more robust coordination function, at only 1 per cent of the annual contributions for operational activities for development, would yield value for money. It would significantly improve effectiveness and strengthen leadership and accountability to guide the results achieved through the other 99 per cent of the budget. By all standards, this is a good investment for the United Nations and for humanity.

V. Revamped regional approach

87. In my report of June 2017, I committed to conducting a review of regional functions and capacities to better assess the status of the system. The review was a first step in better positioning the United Nations to respond to the new demands posed by the 2030 Agenda, at the regional level. The findings resulting from the review have been supported by extensive consultations within the system. For the first time, we have a comprehensive picture of the regional set-up.

A. Findings resulting from the review of regional functions and capacities

88. The review only further underscored that the regional architecture must be transformed in order to perform the functions required by the 2030 Agenda. The regional level must offer a convening platform and deliver integrated policy advice, normative support and technical capacity on regional priorities, swiftly surging when required. In addition, as the world becomes ever more multipolar and interdependent, the regional level has an important role to play in enhancing the policy and analytical capacities of resident coordinators and United Nations country teams, and contextualizing country analysis in key regional dimensions.

89. The regional economic and social commissions have been significantly shaped by their respective contexts and have developed differing strengths and focuses. They focus mainly on knowledge and research products and provide a multilateral platform for Governments. At present, the five regional economic and social commissions have a total of 2,800 personnel and total annual expenditure of $360 million.

90. Specialized agencies, funds and programmes also play critical roles at the regional level. They provide strategic and policy guidance, technical backstopping and policy and operational support to their country offices. They also produce multi-country and regionally focused data and analysis. They have a total of 6,800 personnel and total annual expenditure of $1.2 billion.

91. The regional economic and social commissions and the regional offices of agencies, funds and programmes are located in 54 cities around the world. Eighty-one per cent of their personnel are located in only 15 cities. Within the seven major hubs, only 50 per cent of those personnel are located in the main United Nations building in the city. Together, the total regional presence of the United Nations development system comprises more than 9,600 personnel and has annual expenditure of approximately $1.6 billion.

92. The Department of Economic and Social Affairs, as part of the Secretariat, does not have a regional presence, but engages in capacity development activities at the regional and country levels through its Development Account, the United Nations Peace and Development Trust Fund and the Technical Cooperation Trust Fund. It will be important to align the activities of the Department at the regional and country levels with those of the regional economic and social commissions and the regional teams of the United Nations Development Group.

93. At the regional level, two coordination mechanisms exist. The regional teams of the United Nations Development Group, which bring together agencies, funds and programmes at the regional level, provide backstopping support to resident coordinators and United Nations country teams and ensure the overall effectiveness and coherence of country team activities. The regional coordination mechanisms convene entities to promote policy coherence and exchange on regional relevant topics and priority areas.

94. The review showed that, while there is collaboration between United Nations entities at the regional level, there is also overlap in the areas of support for the implementation of the Sustainable Development Goals, data, analysis, policy advocacy and advice, technical assistance, knowledge management and South-South cooperation. In the area of data, no clear leadership exists, with multiple data centres coexisting with limited coordination. Overlaps are horizontal, with entities addressing similar topics and issues, and vertical where global and regional actors extend their activities to the country level.

95. Some degree of overlapping is to be expected, as the United Nations development system addresses an integrated agenda. Yet, overlaps are also driven by competition for resources, competing mandates and the diverse demands of Member States. Disconnects between regional entities of the United Nations development system and resident coordinators/United Nations country teams are exacerbated by seriously insufficient mutual exchange regarding planned country-level activities and engagements.

96. We need to recalibrate, streamline and fully align the regional level with the 2030 Agenda. In moving to a United Nations development system that is fit for purpose at the regional level, I propose the adoption of a two-step approach. It will start by optimizing existing arrangements for greater impact, with full implementation by the end of 2018. This will include clarifying the division of labour, aligning efforts among entities and commencing a reprofiling process. Those steps will lay the foundation for moving towards a new set of proposals for longer-term restructuring with a view to improved interface among the various regional structures.

B. Optimizing United Nations regional structures

97. The United Nations development system will take immediate steps to clarify the division of labour among its regional structures. This will include the full implementation of the statement of collaboration between the United Nations Development Group and the regional economic and social commissions, as called for in resolution 71/243. The arrangement will be extended to the Department of Economic and Social Affairs for strengthened policy coherence. We will also commence a reprofiling process according to the defined division of labour, in an inclusive and participatory process involving the regional economic and social commissions and the regional teams of the United Nations Development Group.

98. In 2018, we will also develop and implement a clear protocol for country engagement by Secretariat entities and other non-resident agencies, to ensure that resident coordinators are informed of all in-country development activities. New resident coordinators will also be encouraged to undertake familiarization visits and engage in liaison more systematically with the relevant regional commission and regional offices of agencies, funds and programmes to improve understanding of the regional assets that can be used to the advantage of the United Nations country teams.

99. As part of this optimization effort, we will ensure that the process of the development and review of United Nations Development Assistance Frameworks includes more thorough analysis of regional and transboundary issues, with regional economic and social commissions as an integral part of the process. That should lead to more effective United Nations action on challenges and opportunities that know no borders, such as climate change and international migration. The inclusion by the regional economic and social commissions of all their country-level activities in the Frameworks will also become a requirement.

100. In enhancing regional coordination, we will ensure that the regional teams of the United Nations Development Group and the regional coordination mechanisms hold meetings jointly or back to back, with agendas informing one another, as currently done in the Europe-Commonwealth of Independent States region. In doing so, they will be serviced by a common secretariat. The participation of the Department of Economic and Social Affairs in the regional coordination mechanism will also be strengthened. In addition, we will seek to enhance the participation of United Nations Development Group entities in the regional forums on sustainable development, under the auspices of the regional economic and social commissions. This will ensure that there is a stronger policy-operational loop and that those mechanisms are better leveraged as preparatory sessions for the high-level political forum on sustainable development and the Economic and Social Council forum on financing for development follow-up at the global level. Finally, a joint publications committee will be established to reduce duplication in terms of knowledge products.

C. Restructuring United Nations regional assets in the medium term

101. For the medium and longer terms, I will set in train a process for defining a strategy to take more ambitious measures to streamline and maximize the impact of the United Nations regional presence. Options to be considered in consultation with regional economic and social commissions and regional teams of the United Nations Development Group will include:

(a) Moving progressively towards the integration of the regional teams and the regional coordination mechanisms to bring about the integrated policy advice that the 2030 Agenda demands. This integrated system would ensure enhanced substantive support for country teams across the three dimensions of sustainable development.

Additionally, it would ensure an effective normative, operational feedback loop underpinned by strong research capability;

(b) Completing the reprofiling of staff of the regional economic and social commissions to refocus the role and assets of the commissions, in the light of the requirements of the 2030 Agenda. The objective would be to strengthen the effectiveness, convening role and identity of the commissions as think tanks and providers of intellectual support for policy advice on sustainable development;

(c) Considering the redeployment of staff of the regional economic and social commissions away from headquarters to enhance capacities of United Nations country teams and fill substantive gaps in support of the implementation of the 2030 Agenda;

(d) Exploring further opportunities for co-location and efficiencies at the regional level.

102. I will provide an update to Member States on the options for longer-term restructuring of the regional assets of the United Nations by 2019, as part of my annual report to the Economic and Social Council during the operational activities for development segment of its substantive session.

VI. Strategic direction, oversight and accountability for system-wide results

103. The 2030 Agenda is built on Member States' commitment to being accountable to their citizens for progress on the attainment of sustainable development objectives. The United Nations development system, in turn, needs to reorient itself to better demonstrate results to the Member States and the public. The system has taken decisive steps in recent years to improve its transparency, accountability and reporting on results. Many entities are leading by example in that regard. However, progress at the entity level has not been matched by improvements at the system-wide level.

104. In resolution 71/243, as part of efforts to reposition the United Nations development system, the General Assembly stressed the need to improve its governance to become more coherent, transparent, responsive and effective.[7] Space needs to be created for more effective horizontal oversight and coordination, increased transparency and more consistent engagement with Member States on the system's collective performance.

105. In response to the call made by the General Assembly in resolution 71/243 for improved accountability, coordination and oversight, I have suggested that Member States may consider focusing on the Economic and Social Council and the Executive Boards of the New York-based funds and programmes. Reforms of governing bodies are the strict prerogative of the Member States. My proposals are therefore intended as inputs as the membership explores ways to ensure coherent and effective oversight of the system's response to the 2030 Agenda.

106. I acknowledge in this regard that the overall review of General Assembly resolution 68/1 has been launched by the President of the General Assembly. I also note that the President of the Assembly will proceed with efforts to align the work of the Economic and Social Council and the Assembly with the 2030 Agenda. I commend those efforts and encourage Member States to continue to exercise their leadership to bring about more effective and efficient follow-up to the implementation of the Agenda.

[7] Resolution 71/243, para. 45.

A. Revitalizing the Economic and Social Council operational activities for development segment and related mechanisms

107. There is a widely acknowledged need for greater strategic guidance and greater oversight with respect to system-wide action. To bridge that gap, Member States may consider strengthening the role of the Economic and Social Council, building on the principles of the Charter and the direction provided by the General Assembly in resolution 71/243. In enhancing its governance and functioning, the Council may wish to utilize the full range of its tools, including the operational activities for development segment, the humanitarian affairs segment, the transition event and the joint meeting of the Council and the Peacebuilding Commission. Overall, the Council's deliberative function should also be reinforced, with an emphasis on accountability, knowledge-sharing and mutual learning for better results.

108. In that vein, I propose that Member States consider institutionalizing the Economic and Social Council operational activities for development segment as an accountability platform for system-wide performance in relation to the 2030 Agenda. This could be realized through biannual meetings of the segment that have distinctive focuses. The first of the biannual meetings of the segment would provide policy guidance on system-wide action at all levels. The meeting would serve to reinforce the linkages between policy and operational functions of the United Nations development system and their oversight by Member States, including through independent system-wide evaluations and annual reporting on the system's collective support for the implementation of the Sustainable Development Goals and progress in implementing the system-wide strategic document.

109. The first meeting of the operational activities for development segment would also concern the oversight of regional coordination. The agenda would see annual reporting on the outcome of the newly synchronized regional coordination mechanisms of the United Nations development system. I believe that this new element in the work of the Economic and Social Council would provide a systematic opportunity for Member States to exercise their oversight role with respect to the system's regional architecture and coordination. It would provide space for engagement on the state of the coherence between the regional economic and social commissions, the specialized agencies, funds and programmes and the Department of Economic and Social Affairs, with a view to further reprofiling, restructuring and consolidation in serving the 2030 Agenda.

110. Member States might consider focusing the second of the biannual meetings of the operational activities for development segment on strengthening the guidance provided to the governing bodies of the United Nations development system. In informing the deliberations of the relevant governing bodies, this meeting would help to strengthen coherence in the provision of strategic direction and oversight by Member States across the various entities of the system. Ultimately, it would help to ensure a common approach in strategic and programmatic efforts aimed at the implementation of the 2030 Agenda.

111. Member States might also use this meeting to enhance guidance on the development system's coordination with humanitarian assistance and peacebuilding efforts. It could leverage a redesigned Economic and Social Council event on development and humanitarian collaboration, as well as the joint meeting of the Council and the Peacebuilding Commission. It could be held back to back with the Council's humanitarian affairs segment to promote coherence. That could help to consolidate the Council's role as an intergovernmental space for reinforcing the Organization's transition to a culture of prevention and focus on results. During the consultations, some Member States also suggested that resuming the former rotation

of the session of the Council between New York and Geneva could be helpful in that regard. I stand ready to move forward with those discussions should there be interest among the broader membership.

112. Beyond accountability to Member States, the United Nations must continue to open up, reach out and be more responsive to the larger public that it serves. Reinvesting in public advocacy and communications for sustainable development results would make it easier for the world to understand and take part in global United Nations commitments. Development experts and practitioners should also turn to the Economic and Social Council as a vibrant space for development exchanges and analysis. In addition, as the system expands its outreach to external partners, Member States might wish to strengthen stakeholder engagement in the deliberations of the Council, especially by civil society, including women's and youth groups.

B. Strengthening executive guidance and oversight through a joint executive board

113. The Executive Boards are critical pieces of the system's governance. They provide intergovernmental support for and supervision of development activities and ensure adherence to policy guidance emerging from the General Assembly, the Economic and Social Council and the Charter. They also have the responsibility of channelling recommendations to the Council through annual reporting. Currently, the norm for Executive Boards is to report on entity-specific mandates, despite efforts to increase system-wide governance and accountability. This creates inefficiencies and fragmentation on joint mandates. A case in point was seen in implementing the "Delivering as one" experience. While Governments volunteered to reduce fragmentation, they continued to resort to separate Boards for the approval of country programmes. This points to a single, but serious, contradiction in the way we pursue collective results.

114. There are different ways to overcome these challenges. It remains my opinion that the most effective option would be the creation of a joint executive board of the New York-based funds and programmes. In that regard, I propose that Member States consider progressively integrating the Executive Boards of UNDP/United Nations Population Fund (UNFPA)/United Nations Office for Project Services (UNOPS), the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women. A joint board would help to unify the voices of Member States and ensure a coherent approach to a set of entities with a major operational footprint, in line with guidance from a strengthened Economic and Social Council. It would reinforce the executive guidance and oversight by Member States on joint strategy, planning and results, without compromising their oversight and engagement with respect to the programmatic priorities of each entity.

115. The joint executive board would continue to offer a dedicated space for each individual mandate, to ensure that vertical governance and oversight remain robust. These entity-specific priorities would continue to be addressed through specific segments of the joint board, while the common segment would give a special profile to joint action and joint reporting on issues that concern all five entities. A joint board would also provide a better interface for increased coordination with the boards of the specialized agencies.

116. Operationalizing the joint executive board would entail some challenges, including determining its composition and finding the right balance between joined-up and entity-specific sessions. Those challenges, however, would be eclipsed by the potential benefits to be gained from improved horizontal governance and efficiency gains. By way of illustration, in 2017 the three Executive Boards mentioned above

formally met on separate tracks for a total of 34 days and informally for at least 50 days. The integration of the Boards would eliminate the need for multiple meetings, simplify reporting and enable more interactive discussions on collective action.

117. Other important efficiency gains and potential savings would also be made. For delegations coming from capitals to represent board members, travel, planning and time costs would be reduced. In addition, having one, stand-alone executive board secretariat manage logistical and organizational support would contribute to deeper understanding across individual agencies' work and minimize duplicative efforts. Joint documents would also decrease the volume of the documentation produced by the individual entities and facilitate sharper discussions and decision-making. Furthermore, entities could benefit from the service-level agreements that UNFPA and UNOPS have with UNDP, as host of the secretariat of their Board.

118. Moving to a joint board would be done progressively, under the guidance and leadership of Member States. Depending on the experience with the Executive Boards in New York, consideration could be given to integrating Boards in other locations. While I encourage Member States to be bold in driving changes to the system's governance and oversight, making immediate practical changes to enhance the working methods of the Boards would be helpful.

119. I have heard valuable insights in this regard from Member States, including current members of the New York Executive Boards. Such measures could include ensuring that priority agenda items are covered at the same session and harmonizing the approach taken to agenda items by the various entities. Consideration could also be given to transforming the secretariats of the Executive Boards into independent bodies. This would ensure that they serve Member States in a more impartial manner.

120. The membership may also consider granting legislative authority to the existing joint meeting of the Executive Boards until a joint board is established. The joint meeting has suffered from a lack of decision-making power that has limited its impact. Member States may wish to formalize its rules of procedure and include a provision allowing for the joint meeting to become a decision-making platform.

C. Establishing an independent system-wide evaluation function

121. Independent system-wide evaluation has an important role to play in strengthening the oversight, transparency, accountability and collective learning arrangements of the United Nations development system to enable continual enhancement of its contributions to the achievement of the 2030 Agenda. However, the level of commitment across the United Nations system is not commensurate with the growing demand for and importance of the evaluation function.

122. I will establish a small, independent system-wide evaluation unit, to be administered by the Department of Management and directly accountable to the Economic and Social Council. The unit will engage with me, as chief administrative officer of the Organization, but would report directly to Member States. This will build on my initial recommendations for an overarching vision and strategy for evaluation that is anchored in the Organization's mandates and related to strategic goals and objectives. Given the importance of more robust accountability, it is crucial that the function be structured in a manner that adheres to international best practices for evaluation, with the core principles of independence, credibility, effectiveness and utility being grounded in policy.[8]

[8] See JIU/REP/2014/6; see also UNDP Evaluation Office, "Summary of the Third International Conference on National Evaluation Capacities: solutions to challenges related to independence, credibility and use of evaluation" (2013).

123. The unit will collaborate closely with the evaluation offices of the United Nations system through the United Nations Evaluation Group, to ensure that we develop a viable and realistic policy and institutional arrangements for system-wide evaluation. It will focus on strategic, cross-cutting issues related to the system's support for the implementation of the Sustainable Development Goals globally. Drawing on a strengthened United Nations evaluation function, it will commission a small number of independent system-wide evaluations on strategic development issues to enable a credible evaluation input to system-wide policy and agenda-setting, as well as operational implementation and decision-making.

124. The unit will remain focused on global system-wide activities, while encouraging and supporting entities of the United Nations development system at the country level in undertaking joint evaluations on their programmatic activities and system-wide efforts to advance the implementation of the Sustainable Development Goals. The system-wide evaluations will be guided and informed by the system-wide strategic document. Steps will be taken to strengthen the quality of evaluations at the lower levels of the existing evaluation architecture, including United Nations Development Assistance Framework evaluations, for credible use at higher levels of aggregation and synthesis.

125. This nimble evaluative function will produce high-quality and professionally credible reports that are independent and provide evidence and analysis of the impact and value for money for system-wide investments. Its reports will be available to the public. It will also enable us to better assess the impact of system-wide efforts, and provide real-time feedback where possible. The evaluative evidence will inform system-wide policy and management, driving change and improvements, while also serving as a means for forecasting risks and critical trends.

126. In carrying out its functions, the unit will draw from and augment the evaluation capacities in the United Nations development system, which at present are geared largely towards serving agency-specific objectives and individual decision-making needs. It would ensure not to duplicate, but rather to complement, the functions of the Joint Inspection Unit, through close contact between the two units. It would link to the United Nations Evaluation Group by working actively with its membership to seek the convergence of evaluation plans towards the Sustainable Development Goals and, where possible, leverage the Group's capacity and outputs. To further avoid duplication, the proposed unit would ensure that roles and responsibilities among evaluation offices with agency and system-wide responsibility are guided by principles such as subsidiarity, value-added and efficiency.

127. The unit would be staffed by one Director at the D-2 level, supported by a small number of fixed-term appointments. This would be complemented by staff seconded from the United Nations development system, who would bring in established expertise from across the system and ensure a quick start-up. The precise composition and profiles would need to be carefully considered and selected through a rigorous, competitive process, consistent with the norms and standards of the United Nations Evaluation Group.[9] The unit would operate on a budget of approximately $3 million, or 0.01 per cent of the 2016 level of expenditure on United Nations operational activities for development, excluding assessed contributions.

[9] See United Nations Evaluation Group, *Norms and Standards for Evaluation* (2016).

VII. Partnership for the 2030 Agenda

A. A global partnership for the 2030 Agenda

128. In giving light to the 2030 Agenda, Member States reaffirmed the centrality of solidarity and partnership in international affairs. The new agenda recognized the interdependence of regions and nations and the increasing scope of challenges that can be addressed only through global collaboration.

129. The Sustainable Development Goals are the fruit of an unprecedented, wide-scale and inclusive consultation process, with strong leadership by Member States, extending far beyond the United Nations to include key stakeholders at the global, regional and country levels in shaping the future we want. National Governments, at all levels, as well as parliaments, civil society organizations, businesses and philanthropic organizations, the scientific and research community, academia, volunteer groups and other stakeholders — all have a part to play in implementing the 2030 Agenda and ensuring mutual accountability with respect to the Sustainable Development Goals.

B. Partnerships for the 2030 Agenda

130. Member States have agreed that partnerships are critical to the implementation of the 2030 Agenda. The ambition and breadth of the Sustainable Development Goals make them simply unattainable without robust partnerships. The United Nations development system will need to draw on its unique convening power to help countries to broker the diverse partnerships needed at the global, regional and country levels and to bring together the actors with the appropriate mix of resources — knowledge, science and technology, finance — to find innovative solutions to pressing challenges that can be taken to the required scale. Building on existing partnership efforts, the United Nations is uniquely placed to offer the platforms needed for all actors to come together, build trust and mobilize their respective assets to achieve the Sustainable Development Goals.

131. The United Nations development system will need to step up the scale of its partnerships — at a system-wide level — to accompany the requirements of the 2030 Agenda. The United Nations experience in engaging in partnerships varies greatly. While some entities have developed advanced policies and practices for engaging external actors, others pursue a more conservative approach, often as a result of limited capacities and skill sets. Overall, the partnership efforts remain fragmented and overly focused on "projectized" activities — an approach that is unlikely to generate results on the scale required by the 2030 Agenda.

132. At the same time, the Organization must do better to manage risks and ensure oversight in a manner that protects its values and yet allows space for innovation and expanded partnership arrangements. Due diligence standards and procedures are highly heterogeneous across the United Nations system and need to be streamlined. The lack of a system-wide approach to due diligence results in the inefficient use of financial and human resources, as multiple United Nations agencies often screen the same partners, and poses significant reputational risk to the Organization. It sometimes leads to contradictory decision-making across entities, undermining the integrity and increasing the vulnerability of the Organization.

133. There is also a need for increased transparency with respect to the range and types of partnerships in which entities of the United Nations development system are engaged. Measures will be put in place to ensure the full transparency and accountability of United Nations partnership engagements.

134. We must give priority attention to partnerships in everything we do, to ensure that the system can adequately respond to the needs of Member States in implementing a comprehensive and integrated agenda. As part of the revitalization of the United Nations Development Group, I have asked the Deputy Secretary-General to establish partnership as a top priority. In moving towards a new generation of United Nations country teams, we must ensure that, at the country level, resident coordinator offices are empowered to serve as a one-stop shop for partnerships with external partners, including international financial institutions, businesses, civil society and other stakeholders. This was a strong call in our consultations with civil society groups in preparing for the present report. United Nations country teams must increasingly champion collaborative and open dialogue with all stakeholders, including the furthest behind, as it supports national institutions.

135. In addition, I propose the launching of six partnership-related work streams.

136. First, I have activated senior United Nations leadership to coordinate a process within the United Nations Development Group, with the support of the Department of Economic and Social Affairs and the United Nations Global Compact, to agree on a system-wide approach to partnership. Such an approach should maintain a focus at the country level, with resident coordinator offices serving as the country-level hubs for system-wide partnership-building and support for countries in mobilizing the means of implementation needed for the Sustainable Development Goals.

137. Second, I will strengthen system-wide integrity, due diligence and risk management. Measures include, but are not limited to, the acceptance of the 10 principles of the Global Compact as a common partnership standard for private sector entities, common due diligence criteria for engaging various groups of non-State actors, and the creation of an integrity task force comprising senior United Nations leadership to manage risks of United Nations-business engagement and foster a pool of "partner-ready" companies. The United Nations Development Group process will explore all options and ensure action as soon as possible.

138. Third, I have asked the Global Compact leadership to consider ways to improve governance at the global level, as well as the impact and its oversight of the Global Compact Local Networks. The Global Compact has a critical role to play in supporting such efforts. Global Compact Local Networks can drive membership growth, strengthen the uptake of sustainability principles by local businesses, in particular small and medium-sized enterprises that comprise more than 70 per cent of local markets, and their integration into business processes to advance the implementation of the Sustainable Development Goals.

139. Fourth, the United Nations Office for Partnerships will be firmly established as the Organization's global gateway for partnerships. We will initiate in early 2018 a review of current operations to inform a reinvigorated platform for more effective partner engagement of public and private sector stakeholders, including civil society organizations, with the United Nations development system.

140. Fifth, I will continue to develop our partnership with the World Bank and other international financial institutions for a refreshed system-wide compact around high-impact actions in support of the implementation of the Sustainable Development Goals. An agreement with the World Bank will be finalized by mid-2018.

141. Sixth, I will move ahead with efforts to invigorate our support for South-South cooperation, as requested by Member States. Leveraging the abilities of all actors in development and enabling the fast-growing strengths of developing countries to inform and support one another is at the heart of the 2030 Agenda.

142. Working closely with my Envoy on South-South Cooperation and UNDP, we will formulate proposals to revamp United Nations structures and mechanisms in

support of South-South cooperation, in time to inform the deliberations of the high-level United Nations conference on South-South cooperation on the occasion of the fortieth anniversary of the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, to be held in March 2019.[10]

143. In the meantime, I have commenced the implementation of the action plan for South-South cooperation for my climate change engagement strategy (2017–2021) to leverage the potential of South-South cooperation to accelerate action and push for increased ambition in combating climate change.

VIII. A funding compact

144. In resolution 71/243, the General Assembly recognized that the 2030 Agenda requires a more sustainable funding approach. Significantly improving the level, predictability and flexibility of its funding base is a prerequisite for the successful repositioning of the United Nations development system. On the other hand, enhanced funding will require far-reaching measures by the system to strengthen results, accountability and transparency with respect to its collective action.

145. That is why, in my report of June 2017, I called for a funding compact — an agreement by Member States and the United Nations development system to match the boldness of the 2030 Agenda with decisive action on the way funds are allocated to and disbursed by the system. On the basis of consultations held with Member States, I propose the structuring of the funding compact around a limited number of concrete and realistic mutual commitments. Those commitments are rooted in the key principles embedded in resolution 71/243: universality, multilateralism, neutrality, predictability, transparency, accountability, results orientation, effectiveness and efficiency.

A. Investing in the United Nations development system to deliver dividends for the 2030 Agenda

146. For the United Nations development system to effectively support the 2030 Agenda and uphold its neutrality and multilateral nature, the level and predictability of core funding must increase. The core functions of the United Nations development system agreed upon by the General Assembly in resolution 71/243 must be adequately and reliably funded by core resources on a predictable, multi-year basis. It is also critical that the contributor base be broadened and diversified.

147. Core funding is the bedrock of the United Nations development system. It allows United Nations entities to plan strategically, adapt more flexibly to country needs and pool resources to deliver joint results. The rapid decrease in the overall core budget of United Nations entities in recent years has had an obvious impact on the effectiveness of the system and on its capacity to collaborate. With the core budget now at less than 22 per cent of the total contributions received by the United Nations development system, there is an urgent need to reassert the case for the core budget.

148. The non-core budget is also increasingly earmarked. In 2015, 91 per cent of all non-core budgetary flows for United Nations activities related to development were earmarked for specific projects. While such funds have made a significant impact on the lives of many across the globe, they often lead to unintended inefficiencies stemming from fragmentation, undue competition among entities and increased

[10] See General Assembly resolutions 71/244 and 71/318.

transaction costs for Governments. In some cases, they can result in investment in areas of need, but not necessarily those of the highest priority for Governments or on a sufficient scale.

149. Well-designed and professionally managed pooled funds are more effective and transparent and complement agency-specific funds. Pooled funding mechanisms have a strong track record in strengthening coherence and coordination, broadening the contributor base, improving risk management and leverage, and providing better incentives for collaboration within the United Nations development system or across pillars in relevant contexts.

150. Providing the system with more predictable and flexible resources means not only reaffirming trust in the United Nations, but also investing in results for the people we serve. It would strengthen the system's ability to address such critical global challenges as climate change, human trafficking and displacement and extreme weather shocks, while ensuring greater impact in terms of issues that matter to citizens, such as better health systems, better jobs for young people, eradicating poverty and sustainably managing urban areas. It would facilitate critical, underfunded functions of the system, including policy advice and support for financing for development. Ultimately, the funding compact means increasing the likelihood of universal achievement of the Sustainable Development Goals and eradicating poverty from the face of the Earth. In other words, it means determining whether we can deliver on our ambition to make the world a more prosperous, peaceful and sustainable place by 2030.

151. The full set of recommendations set out in the present report represent the commitments I make on behalf of the United Nations development system, confident that the changes that they will yield will match the ambition of the 2030 Agenda. I also propose specific actions to improve, in the immediate term, transparency, accountability and reporting with respect to results achieved through system-wide action. Specifically, we commit to:

(a) Provide annual reporting on system-wide support for the Sustainable Development Goals, both at the country level and to the Economic and Social Council. This would start immediately and would be strengthened over time, as we proceed in harmonizing methodologies for data collection and reporting within the system. By 2021, we plan to present aggregated information on system-wide results, demonstrating value for money for Member States and their taxpayers;

(b) Enhance transparency and access to financial information across all entities, through system-wide enrolment in the International Aid Transparency Initiative, as well as full compliance with international transparency standards;

(c) Undergo independent, system-wide evaluations to provide Member States with credible assessment of results achieved;

(d) Achieve full compliance with existing cost recovery policies and further exploration of harmonized but differentiated approaches to cost recovery by individual entities, as stipulated by the General Assembly in resolution 71/243;

(e) Allocate at least 15 per cent of the non-core resources of United Nations development entities to joint activities, including to complement resources from inter-agency pooled funds;

(f) Enhance the visibility of Member States' vital contributions to core resources and pooled funds and related results.

152. We propose, in turn, four critical commitments by Member States commensurate with commitments by the United Nations development system, for which I will hold its leaders accountable. These include: an increase in the core resources of individual

entities; an improvement in the quality of earmarked funding; an adequately funded resident coordinator system; and enhancement of the United Nations integrated impact at the country level through the Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy, and the Peacebuilding Fund.

B. Strengthening funding mechanisms to enable critical functions and capacities of the United Nations development system

153. First, we propose a renewed commitment by Member States to reverse the trend of the decreasing share of core resources provided to the entities of the United Nations development system. Specifically, the percentage of core budgets allocated to individual entities across the United Nations development system should increase from the current level of 21.7 per cent of total contributions to at least 30 per cent in the next five years. This would be a realistic target and a first step in enabling the various entities of the system to operate with the flexibility that they need in order to act strategically, provide enhanced policy support to partners and collaborate with the wider United Nations development system. It would also rebuild confidence regarding the principle of universal support for the sustainable development pillar of the United Nations, which needs to be achieved through a burden-sharing solution.

154. Second, we request the support of Member States to improve the quality of their earmarked non-core funding. I propose two specific targets in that regard: (a) doubling inter-agency pooled funds over the next five-year period, from $1.7 billion in 2016 to $3.4 billion by 2023, which would represent an increase from 8 per cent to 16 per cent of total non-core contributions; and (b) increasing entity-specific thematic funds from $407 million to $800 million, also by 2023.

155. Third, I reiterate my call for support by Member States to ensure adequate and predictable funding for a reinvigorated United Nations resident coordinator system. In the present report, I have made the case for the allocation of assessed contributions from the regular budget to cover the costs of a reinvigorated resident coordinator system, at $255 million per year. In addition, I am recommending the establishment of a discretionary integration fund of $35 million, to be funded through extrabudgetary sources, to provide every resident coordinator with $270,000 per annum to provide integrated policy support to national partners, drawing on the assets of the system. Funding of the resident coordinator system is central to the system's repositioning and, consequently, also lies at the heart of the proposed funding compact.

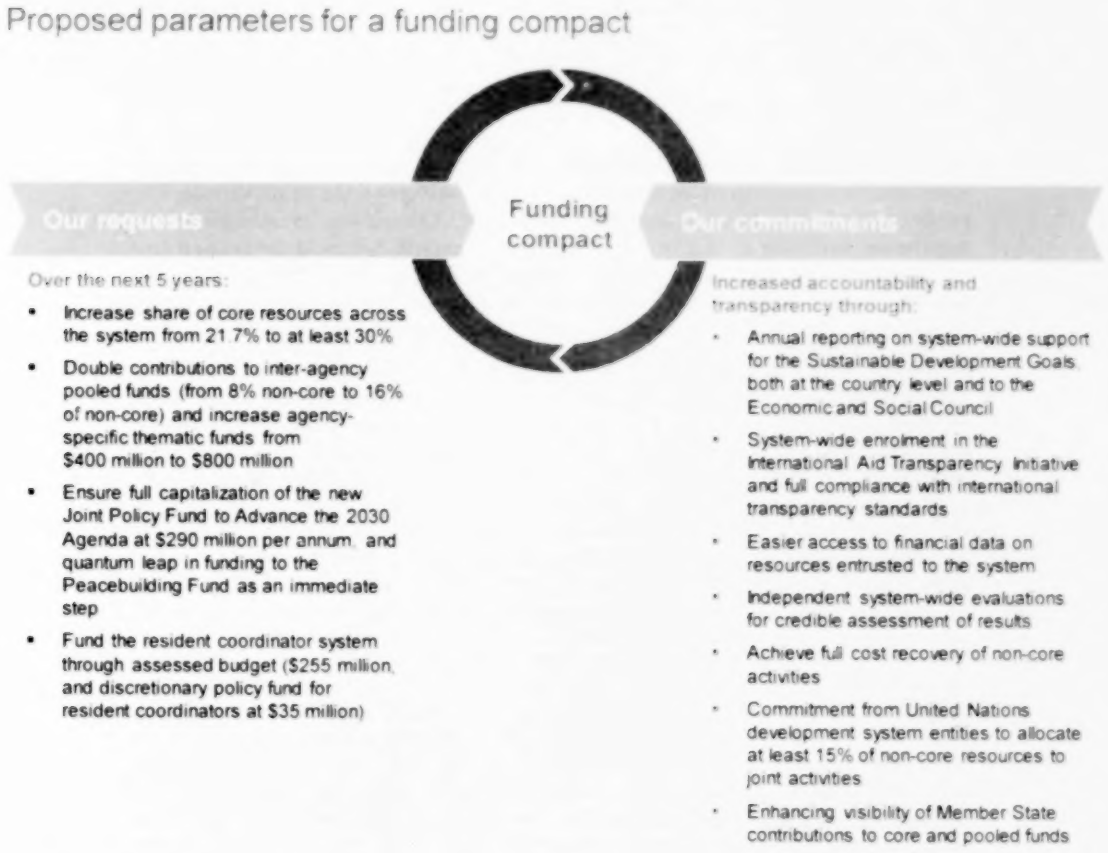
156. Finally, we count on the support of Member States to financially incentivize scaled-up impact at the country level, driven by a more integrated United Nations response, through two key mechanisms: (a) the capitalization of the Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy at $290 million per annum; and (b) a quantum leap in contributions to the Peacebuilding Fund. The Joint Policy Fund is designed to provide the "muscle" for resident coordinators and a new generation of United Nations country teams to help countries deliver on the Sustainable Development Goals.

157. Such pooled funds at the country level, clearly linked to the United Nations Development Assistance Framework, would enable resident coordinators to mobilize the full range of capacities and cross-agency collaboration required to support the achievement of the Sustainable Development Goals. The Peacebuilding Fund is another critical instrument as we step up our efforts to build resilience and drive, on a greater scale, integrated United Nations action for prevention.

158. Taken together, the total cost of the new resident coordinator system, the integration fund and a capitalized Joint Policy Fund to Advance the 2030 Agenda

through Integrated Policy would be 2 per cent of the $29.5 billion in contributions received by the United Nations for operational activities for development in 2016. Given the transformational potential of the 2030 Agenda, the specific role that Member States rightly expect the United Nations to play and the urgency of our collective task, this would seem to be the minimum that we should strive for.

Figure IV
Mutual commitments of the funding compact


Proposed parameters for a funding compact
Funding compact
Our requests
Over the next 5 years:
• Increase share of core resources across the system from 21.7% to at least 30%
• Double contributions to inter-agency pooled funds (from 8% non-core to 16% of non-core) and increase agency-specific thematic funds from $400 million to $800 million
• Ensure full capitalization of the new Joint Policy Fund to Advance the 2030 Agenda at $290 million per annum, and quantum leap in funding to the Peacebuilding Fund as an immediate step
• Fund the resident coordinator system through assessed budget ($255 million, and discretionary policy fund for resident coordinators at $35 million)
Our commitments
Increased accountability and transparency through:
• Annual reporting on system-wide support for the Sustainable Development Goals, both at the country level and to the Economic and Social Council
• System-wide enrolment in the International Aid Transparency Initiative and full compliance with international transparency standards
• Easier access to financial data on resources entrusted to the system
• Independent system-wide evaluations for credible assessment of results
• Achieve full cost recovery of non-core activities
• Commitment from United Nations development system entities to allocate at least 15% of non-core resources to joint activities
• Enhancing visibility of Member State contributions to core and pooled funds

159. To operationalize the funding compact, I intend to establish a funding dialogue with Member States during 2018, under the leadership of the Deputy Secretary-General as Chair of the United Nations Development Group. In the meantime, we encourage Member States that are in a position to act, to target immediate measures that could be adopted without affecting parliamentary approvals already in progress. It is important to act swiftly to seize the momentum for change.

160. In the end, the success of the funding compact will depend on all parties living up to their respective commitments. Failure on any of our parts will result in a United Nations development system that is trapped in a cycle of declining core resources and severely limited in its strategic focus and long-term engagement by tightly earmarked non-core resources.

161. I acknowledge that these are substantial requests at a time when many Member States face tight fiscal environments and increased scrutiny from their parliaments

and taxpayers. We have heard loud and clear from Member States that a funding compact would require commensurate changes in the system's transparency, accountability and results reporting. Ultimately, it is the human realities behind these figures and targets that must drive the case for change — those whose communities have been swept away by climate-induced storms and shocks; health pandemics; spiralling levels of inequality; the one in three women around the world facing some form of violence — and our common commitment to ensure that we leave no one behind and reach those furthest behind first.

IX. Conclusions

A. Preparing for change

162. In responding to resolution 71/243, we have sought to adopt an ambitious approach: firmly repositioning the Organization to deliver on the 2030 Agenda. The needs of people and the demands of our time require nothing less. Business-as-usual approaches and reforms that tinker around the edges will not yield the support that countries need in order to achieve the Sustainable Development Goals. Building on what works well is critical, yet insufficient if the Organization is to remain a relevant partner as countries face their most ambitious development agenda to date.

163. Taken together, the proposed changes offer a bold but realistic way forward. This is a mutually reinforcing, indivisible package. Separating the functions of the resident coordinator from those of the UNDP resident representative will lead to transformative change only if it is accompanied by robust measures to strengthen the authorities, mechanisms and resources of resident coordinators. Proposed changes to the Economic and Social Council and other governing bodies of the United Nations will rely on the system's enhanced capacity to report on — and be held accountable for — system-wide action. More flexible funding underpins all efforts. Repositioning the United Nations development system also reinforces the impact of concurrent reforms of internal management and the peace and security architecture.

164. There is no time to lose. We are already two years into the implementation of the 2030 Agenda. To ensure that we can meet our shared objectives, I am taking all possible measures, within existing mandates, to enhance the system's cohesion, accountability and effectiveness. I have assigned comprehensive responsibilities for sustainable development to the Deputy Secretary-General, giving full effect to the provisions regarding that position set out in General Assembly resolution 52/12 B. I have created an Executive Committee to promote integrated decision-making, with strategic inputs from throughout the United Nations.

165. Those initial steps are already laying the groundwork for precisely what Member States have stated that they seek: a more impartial and accountable coordination system for sustainable development. The renewed United Nations Development Group and the Joint Steering Committee to advance humanitarian and development coordination are already operational and will bring about solutions, on the required scale, to challenges faced by countries and United Nations country teams. I have launched strategies for increasing action to support Member States in advancing climate action and financing for development. I count on Member States to support the further changes proposed in the present report, which will be critical to reaffirm the position of sustainable development at the heart of our work.

166. The work ahead will be intense and complex. Change is never easy, nor is it a one-time event. It is a process carried out and inspired by our greatest asset — our staff — who are committed to finding innovative ways to deliver on the mandates of the Organization. We are taking steps to ensure that this change process is smooth and

well sequenced. I am establishing a change management team to work in an inclusive and transparent manner to prepare for the full implementation of all change measures upon their approval by Member States.

167. We believe that the change process could be completed within four years of the decision by Member States. Critical recommendations, including a new generation of United Nations country teams and a reinvigorated resident coordinator system, should be operational by the end of 2019. Other timelines will be determined in line with the decisions of Member States on the proposals.

B. Required mandates

168. Repositioning the United Nations development system is a shared responsibility. We have deployed our best efforts to respond to the mandates set out in resolution 71/243. I now ask for the support of Member States for the mandates that will allow us to translate the proposals outlined in the present report into action, under the leadership of the General Assembly and the Economic and Social Council.

169. **I ask Member States to support the vision and direction of the package of proposals contained in the present report. Specifically, I ask Member States to:**

(a) **Approve the proposed measures to reinvigorate the resident coordinator system, including the creation of a dedicated resident coordination function. Under a reinvigorated system, resident coordinators would be accredited by Governments as the highest-ranking development representative of the United Nations in-country, to be supported by a strengthened, stand-alone sustainable development group office;**

(b) **Support the proposed approach for a new generation of United Nations country teams, including the use of indicative criteria to help inform the country-level presence of the United Nations development system;**

(c) **Agree with the proposed phased approach for the revitalizing of the regional approach of the United Nations development system;**

(d) **Consider the launching of a process to consider and operationalize the proposals on the Economic and Social Council and on the Executive Boards of the New York-based entities of the United Nations development system;**

(e) **Support my call for a stronger institutional response and system-wide approach to partnerships for the 2030 Agenda;**

(f) **Endorse the framework for the funding compact, founded in a new spirit of cooperation that maximizes the investments of Member States in the United Nations, while enabling the United Nations development system to deliver on the 2030 Agenda for all.**

170. **I would also welcome the endorsement by Member States of the scope of the system-wide strategic document, as a guiding framework and road map for the response of the United Nations development system to the 2030 Agenda.**

171. One year after Member States adopted the landmark resolution 71/243, we are moving ever closer to delivering a repositioned United Nations development system and honouring the ambition of the 2030 Agenda. This is a unique opportunity that we simply cannot miss. It may sometimes be easy to get lost in the detail of what may seem to the outside world to be arcane policy. But we can never lose sight of what our work, and the present report, are all about. They are about delivering for the people we serve, staying true to our ambitious shared goals and making good on our collective pledge to leave no one behind. It is in that spirit that I count on the leadership and support of all Member States to take these proposals forward.

Annex

United Nations system-wide strategic document

20 December 2017

Purpose

1. On 21 December 2016, the General Assembly adopted its resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. In the resolution, the Assembly requested the Secretary-General to undertake a review of present functions and existing capacities of the United Nations development system in support of the implementation of the 2030 Agenda for Sustainable Development, with a view to identifying gaps and overlaps in coverage and providing recommendations for addressing them, identifying comparative advantages and improving the inter-agency approach, in accordance with their respective mandates.[1]

2. In the same resolution, the General Assembly also requested the heads of the entities of the United Nations development system, under the leadership of the Secretary-General, to develop and present by the end of 2017 for consideration by the operational activities for development segment of the 2018 session of the Economic and Social Council, a system-wide strategic document translating those recommendations into concrete actions to adapt efficiently and coherently in order to improve their collective support to the implementation of the 2030 Agenda, as well as options for aligning funding modalities with the functions of the United Nations development system, to be reflected in the new strategic plans and similar planning documents of its entities.

3. The present system-wide strategic document is the initial response of the United Nations Development Group to the mandate contained in resolution 71/243. It sets out concrete actions and a preliminary road map for more coherent United Nations development system support for countries in the implementation of the 2030 Agenda, to be further revised by the United Nations Development Group after the issuance of the follow-up report of the Secretary-General on the repositioning of the United Nations development system and related decisions by Member States.

4. The strategic document is initially framed for the period 2018–2019 and will subsequently be aligned with the four-year cycle of the quadrennial comprehensive policy review. It builds on the assessment of functions and capacities commissioned by the Secretary-General in June 2017, and the report of the Secretary-General entitled "Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all" (A/72/124-E/2018/3), presented to the Economic and Social Council on 5 July 2017. Since the outline of present functions and capacities was conducted in June 2017, a review of United Nations development system structures at the regional level and their readiness for the implementation of the 2030 Agenda has also been conducted. The outcome of the regional review has provided additional guidance on how best to address the recommendations to fill capacity gaps or enhance existing skill sets needed to respond to the 2030 Agenda. Follow-up to the recommendations will be informed by the report of the Secretary-General of December 2017 entitled "Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet"; the parallel management reform; the restructuring of the United Nations peace and security architecture; and the impending report of the Secretary-General on peacebuilding and sustaining peace.

[1] Resolution 71/243, para. 19.

5. The strategic document starts from the key guiding ideas that underpinned the report of the Secretary-General of June 2017, including a reaffirmation of the shared vision of a United Nations that advocates on behalf of excluded and vulnerable groups of people and works with national partners in the advancement of all human rights: economic, social and cultural rights, as well as civil and political rights,[2] emphasizing that our Organization must be firm in upholding the universal values and norms agreed upon by our Member States, but flexible in adapting its presence, support and skill set to each country.[3] It emphasizes the need for: acceleration of the transition of the United Nations development system from the Millennium Development Goals to the 2030 Agenda for Sustainable Development; a stronger focus on financing for development; the establishment of a new generation of United Nations country teams that are more focused, flexible, cohesive and efficient; independent, impartial and empowered resident coordinators with sustainable development as their core mandate; strengthened leadership of the United Nations development system at all levels; a more cohesive United Nations policy voice at the regional level; stronger accountability for system-wide results; and a funding compact to underpin reform efforts.

6. The strategic document reflects an initial set of responses of the United Nations development system to those ideas, anchored in four guiding principles:

(a) Coherence and alignment in support of the 2030 Agenda across the Charter of the United Nations;

(b) System-wide functions that need to be strengthened in support of the 2030 Agenda;

(c) System-wide instruments for measuring, monitoring and reporting on collective results;

(d) More effective funding mechanisms to underpin these efforts.

[2] A/72/124-E/2018/3, para. 14.
[3] Ibid., para. 16.

7. The responses are summarized in the framework set out below.

United Nations development system strategic framing (high-level overview)
Sustainable Development Goals
2030 Agenda
Global level
Regional level
Country level
United Nations Development Assistance Framework
United Nations system strategic coherence
Coherence and alignment
United Nations development system functional value added
United Nations development system core functions (functional value added)
Normative support
Policy advice and thought leadership
Data collection and analysis
Capacity development and technical assistance
Partnerships
Financing
Mobilizing resources
System-wide results
United Nations results at the global level
United Nations results at the regional level
United Nations results at the country level

Part I: coherence and alignment in support of the 2030 Agenda

8. The global United Nations development system architecture needs to be contextualized and applied at the country level through the 2030 Agenda. The common country assessments conducted by the United Nations development system to inform the United Nations Development Assistance Framework should be based on shared common analysis from a variety of sources and partners, and an understanding of the country-specific barriers, risks, challenges and opportunities in implementing the 2030 Agenda and achieving the Sustainable Development Goals. The substantive focus of the United Nations, and hence its skills and capacities in a country, should be aligned with national priorities, including the 2030 Agenda, and consistent with the objectives of the Charter. In line with the pledge, set out in the 2030 Agenda, to leave no one behind, international norms and standards constitute a core foundation of United Nations work at the country level and its unique role, commitment and driving force for an integrated, people-centred approach that incorporates human rights and gender equality as critical components.

9. United Nations development efforts should take into account national, local and other capacities at the country level in developing, monitoring and implementing the United Nations Development Assistance Framework for the country. Longer-term presences of United Nations entities must be based on the logic of the Framework, rather than stand-alone programming decisions by specific entities or the availability of donor funding. The United Nations development system should be strategically coherent and integrated at the country level. The system would itself address only a subset of broader priorities and goals, based on analyses of the potential added value and in-country capacity of the United Nations. The Framework should become the single most important United Nations country planning instrument in support of the 2030 Agenda. As such, it should be a strategic, operational and results-oriented framework for the collective engagement of the United Nations in support of sustainable development in a country.

10. The United Nations Development Assistance Framework should frame its commitment to leave no one behind as its overarching and unifying principle, underpinned by human rights, gender equality and women's empowerment; sustainability and resilience; and accountability. The Framework should also link United Nations development and humanitarian efforts to limit threats and setbacks to progress on the Sustainable Development Goals and ensure earlier investment in the foundations for resilience, stability, long-term inclusive development and peace. In situations of protracted crisis in particular, multi-year humanitarian response plans should be harmonized with the Framework to ensure a focus on collective outcomes.

11. While being strategically coherent in their action on the ground, particular entities may need to be operationally and/or visibly distinct to comply with specific mandates or humanitarian principles. Integration can be achieved through the application of common lenses across the pillars of the United Nations without compromising these specific mandates within the United Nations development system.

12. To maximize the system's contributions and value to countries, effective integration and coordination are key. Great strides have been made in strengthening the collective and collaborative impact of United Nations country teams through the United Nations Development Assistance Frameworks, but much more needs to be done. More effective system integration and delivery must be one of the key outcomes of the repositioning of the United Nations. The Organization must be focused on where and how it can have the greatest impact in designing collective outcomes to contribute to country results. In countries with peace or political operations where the United Nations development system is present, planning, programming and financing need to take place in a coherent and aligned manner, aimed at systematically reducing need, risk and vulnerability. That in turn will require the forging of effective partnerships with civil society, the private sector and other actors who have the responsibility and the capacity to contribute to these outcomes.

13. In addition, the United Nations system should use its convening role to help expand meaningful participation by civil society, especially marginalized groups, to ensure that the United Nations development system supports Governments in reaching the furthest behind first and leaves no one behind. As recognized by the Secretary-General in his report of June 2017 entitled "Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all" (A/72/124-E/2018/3), improved coherence and alignment are also needed at the regional and Headquarters levels to strengthen integrated United Nations support for country teams and to reflect regional priorities and situations.

14. Partnerships will play a crucial role in the implementation of the 2030 Agenda by engaging actors beyond the United Nations to engage and leverage their resources, capacities and ambitions. Coherence of the United Nations development system does not require the integration of this diverse ecosystem of country partnerships into one operational framework at the country or regional level. Integration of the United Nations development system means strengthened accountability for achieving common results, with flexibility to operate within individual mandates in a wide variety of contexts, while ensuring a common strategic vision and mutual accountability for collective results. There is a need for a stronger and more coherent system-wide response to the partnership needs of the 2030 Agenda.

15. In order to respond to a comprehensive and integrated 2030 Agenda, the United Nations development system needs to respond more effectively to gaps in the coverage of the Sustainable Development Goals, identified in the June outline of present functions and capacities and various regional assessments of progress and gaps in the implementation of the Goals, especially those related to water and

sanitation (Goal 6), energy (Goal 7), industry and infrastructure (Goal 9), sustainable consumption and production (Goal 12) and the environment (Goals 13, 14 and 15). It also needs to seek greater clarity and explore synergies on Sustainable Development Goal targets in areas where United Nations entities overlap in their engagement and lack clear allocation of roles and responsibilities (e.g., enterprise development, environment, trade, industry and investment).

16. The United Nations development system needs to move towards better cross-pillar support, building on existing frameworks, commitments and structures that cut across silos, and towards more joint risk analysis and joined-up planning, integrated policy advice, joint monitoring and reporting. That will require a clearer understanding of which issues require a United Nations system-wide response, which are best addressed through joined-up responses by a few selected entities based on comparative advantage, and which are best addressed by external partners.

17. **Strategic recommendations:**

(a) **By early 2018, the new working methods proposed for the United Nations Development Group, which provides the forum for the operationalization of the commitment of the United Nations development system to operational coherence, will be implemented;**

(b) **By 2018, the recently established Joint Steering Committee to advance humanitarian and development collaboration at the United Nations executive head level, chaired by the Deputy Secretary-General, with the Emergency Relief Coordinator and the Administrator of the United Nations Development Programme (UNDP) serving as Vice-Chairs, will be fully operationalized to guide and support field efforts to articulate and implement collective outcomes, over multiple years, based on the comparative advantage of a diverse group of actors. The Joint Steering Committee will also seek to foster greater synergies in humanitarian and development action, as well as its linkages to peace, in support of the 2030 Agenda;**

(c) **By 2019, the United Nations Development Assistance Framework should be reviewed and strengthened as the single most important mandatory United Nations tool for planning and accountability for results in all countries. It should be formulated on the basis of a national dialogue on the achievement of the Sustainable Development Goals, including prioritization and cross-goal linkages, and the identification of national indicators on which the system will focus its efforts, based on the added value of the United Nations;**

(d) **By 2019, the United Nations engagement in support of the implementation of the 2030 Agenda in a country — whether agencies, funds and programmes are resident or non-resident — should be based on the integration and prioritization of the Sustainable Development Goals in the country's United Nations Development Assistance Framework. The resident coordinator should be fully informed of any engagement undertaken outside the scope of the Framework;**

(e) **The Executive Heads of the United Nations Development Group, under the leadership of the Deputy Secretary-General, will conduct an annual strategic review of the support of the United Nations development system for the implementation of the 2030 Agenda. The reviews will be conducted at the annual meeting of the Group in the fourth quarter of the year, on the margins of the second regular session of the United Nations System Chief Executives Board for Coordination (CEB). The review will have three objectives: (i) to identify strengths, weaknesses, gaps and overlaps in the coverage of the Sustainable Development Goals by the United Nations development system; (ii) to ensure**

complementarity and a clear agreed division of labour among entities of the United Nations development system; and (iii) to initiate system-wide flagship initiatives for collective action by the system (see subpara. (f) below). In doing this, it will also reflect the commitment of the United Nations development system to better cross-pillar support;

(f) A set of strategic United Nations development system-wide global flagship initiatives in support of the implementation of the Sustainable Development Goals will be launched. Flagship initiatives will be established in areas where existing gaps, overlaps and opportunities in the coverage of the Goals are most effectively addressed through collective responses by the United Nations development system that bring United Nations entities together in support of specific Goals with clear expected results. Some flagship initiatives will build on and strengthen existing inter-agency initiatives on priority issues for the United Nations development system. Initially, five strategic United Nations flagship initiatives will be launched. Additional initiatives could follow in the coming years. The five initiatives will be focused on:

(i) Action on climate change (building on the United Nations System Strategic Approach on Climate Change Action, approved by CEB at its first regular session of 2017 (see CEB/2017/4/Add.1));

(ii) Action on equality (building on the Shared Framework for Action on Combating Inequalities and Discrimination, endorsed by CEB at its second regular session of 2016 (see CEB/2016/6/Add.1));

(iii) Action on eliminating violence against women and girls (the Spotlight Initiative, launched in September 2017);

(iv) Action on the data revolution for sustainable development (building on the United Nations system approach to the data revolution, endorsed by CEB at its first regular session of 2015 (see CEB/2015/1));

(v) Action on risk, resilience and prevention (building on the analytical framework on risk and resilience, adopted by CEB at its second regular session of 2017 (see CEB/2017/6, annex III)).

To ensure a systematic, consistent and transparent approach to how those flagship initiatives are launched, the United Nations Development Group will develop clear criteria and methodologies for defining the scope of the initiatives and the process by which they are identified;

(g) The interface between the United Nations Development Group and Member States will be reinforced through annual reporting by the Secretary-General to the Economic and Social Council during the operational activities for development segment of its substantive session (in February). The United Nations Development Group-related reporting will focus on: (i) the outcome of the annual United Nations Development Group strategic review; (ii) any proposals or updates for new flagship initiatives of the United Nations development system; and (iii) the presentation of results on system-wide support for the implementation of the 2030 Agenda, ongoing flagship initiatives and progress on system-wide coherence;

(h) By 2019, the coherence of the regional functions and capacities of the United Nations development system will be enhanced to provide stronger support to United Nations country teams, better address challenges spanning national borders, deliver stronger data analysis support, promote regional knowledge-sharing and innovation, particularly with respect to Sustainable Development Goal progress and gaps, and advance regional cooperation, with greater

emphasis placed on normative-functional linkages, advocacy and data-driven analyses. Protocols for data-sharing across the system will also be agreed upon.

18. **Implementing recommendations:**

(a) **The United Nations should enhance support for country efforts to contextualize the Sustainable Development Goals, including through support for voluntary national reviews and other mechanisms that help countries to ensure effective implementation, addressing cross-sectoral linkages, and leaving no one behind;**

(b) **The resident coordinator will be empowered to develop, and be responsible for the coordination of, the support of the United Nations development system for the implementation of the Sustainable Development Goals and targets in the particular country context, in line with national plans and priorities and on the basis of the United Nations Development Assistance Framework, while respecting the universal and integrated nature of the 2030 Agenda, its people-centred focus and grounding in international norms, and the overall ambition to leave no one behind;**

(c) **At the outset of new United Nations Development Assistance Framework cycles, the resident coordinator, in coordination with the relevant regional team of the United Nations Development Group, will lead the dialogue with the Government on the most effective composition of the United Nations presence in the country, in order to take forward the implementation of the Framework, bearing in mind normative and humanitarian mandates. The United Nations entity concerned, with the advice of the resident coordinator, will consider the need for, and the type of, physical presence in the country. On that basis, the resident coordinator will submit to the United Nations Development Group the proposed composition of the United Nations country team for internal sign-off and subsequent recommendation to the host Government.**

Part II: system-wide functions to be strengthened in support of the 2030 Agenda

19. All development activities undertaken by the United Nations support the achievement of the 2030 Agenda across various Sustainable Development Goals and targets. This includes the diverse range of capacity-building, policy advice and advocacy and operationalization of United Nations norms and standards.

20. Within those activities are a series of core functions that are central to the effective implementation of the 2030 Agenda. These include the following six core system functions:

(a) Integrated normative support for implementation, monitoring and reporting on global agreements, norms and standards (see resolution 71/243, para. 21 (b));

(b) Integrated, evidence-based policy advice and thought leadership to support the efforts of countries to embed the Sustainable Development Goals in national and local plans and budgets (ibid., para. 21 (a));

(c) Collection and analysis of comprehensive and disaggregated data to inform evidence-based, context-specific and inclusive policy choices (ibid., para. 21 (c));

(d) Capacity development and technical assistance (ibid., para. 21 (c));

(e) Convening of stakeholders across constituencies, leveraging of partnerships and facilitation of knowledge-sharing, and South-South and triangular cooperation (ibid., para. 21 (d) and (e));

(f) Direct support and service delivery, particularly in countries in special situations, such as those affected by conflict, displacement and disasters.

21. In addition to the above, the Secretary-General, in paragraphs 44 to 46 of his report of June 2017, identified support for the financing of the 2030 Agenda as another core function required of the United Nations development system. This includes strengthened capacities to support countries in designing and leveraging investments, leveraging the normative capabilities of the Department of Economic and Social Affairs. It also means stronger partnerships with the World Bank, other international financial institutions and the broader financial sector to source capital, develop stronger credit enhancement and risk mitigation solutions, and align diverse financing streams behind the achievement of collective outcomes. Underlying all these are the long-standing support of the United Nations development system for countries in mobilizing resources (providing direct and indirect transfers and assistance, facilitating domestic resource generation and mobilizing donor and South-South resources) and the effective provision of resources through operations and service delivery efforts.

22. System-wide approaches will be strengthened and further developed to enable the United Nations development system to collectively deliver on these core system functions, which epitomize the unique comparative advantages of the United Nations. While not all of the support provided under each function will need to be delivered collectively or in an integrated manner, the common approaches will ensure a coherent system-wide understanding of the functions as well as of the contributions that entities within the United Nations development system are expected to make to them.

23. **Strategic recommendations:**

(a) **By 2019, the United Nations Development Assistance Framework will highlight and articulate an integrated set of United Nations offerings based on the system-wide instruments for measuring results, and will be focused on identified joint outcomes, linked to national results, that take into account the collaboration with a wider set of actors at the country level. Individual agency heads would be accountable for ensuring effective quality, delivery and execution of efforts within the scope of their respective agency responsibilities, while at the same time being accountable for collective results;**

(b) **By the end of 2018, in order to overcome gaps, inefficiencies and overlaps in data generation, disaggregation and analysis, the United Nations development system will develop a road map for producing more integrated analysis jointly, better harnessing its internal knowledge, including at the regional level, and making existing data sets and data sources more accessible, harmonized and actionable, consistent with international data protection principles;**

(c) **By the end of 2019, the United Nations development system will develop a common approach to partnerships and more effectively engage with the private sector, including consistent due diligence standards built on existing best practices, to be reflected in core entities' business engagement models and processes. It will also be proactive and consistent in using the Organization's convening role to help open up space for civil society and, in particular, ensure the meaningful participation of marginalized groups;**

(d) **In 2018, in responding to calls for stepped-up support for financing for development, the Secretary-General will launch a dedicated strategy to be implemented in close collaboration with the Department of Economic and Social Affairs and the United Nations Development Group.**

24. **Implementing recommendation:**

The resident coordinator should be empowered to enhance system integration efforts and identify, optimize, prioritize and help address gaps through enhanced access to financing streams and mechanisms.

Part III: system-wide instruments for measuring, monitoring and reporting on results

25. The United Nations development system must become more accountable for delivering results, including collective results. This will be the litmus test for the Organization's relevance in the era of the Sustainable Development Goals. United Nations accountability and results should be measured by how effectively and efficiently the system supports countries in making progress towards or addressing threats to the achievement of the Sustainable Development Goals, targets and indicators as reflected in national plans and priorities.

26. The United Nations development system should collectively and individually measure its contribution to the 2030 Agenda in line with the actual targets and indicators adopted by Member States and by using country systems to track their progress to the extent possible. That will mean putting in place coherent systems that are adequate to measure, monitor and aggregate results and that enable accountability for performance and value for money for the system overall as well as for individual entities of the United Nations development system.

27. The United Nations Development Assistance Framework should include all the results that the United Nations is committed to support in a country, framed through the Sustainable Development Goals. These results can be measured through three types of indicators:

(a) United Nations results derived from the Organization's common contribution to Sustainable Development Goal indicators. These indicators use the same units of measurement as the Sustainable Development Goal global indicators and provide a link between United Nations actions and the Sustainable Development Goals. The indicators are further disaggregated to show the ways in which the United Nations contributes to the achievement of the Goals, including in particular through the means-of-implementation indicators under each Goal;

(b) Other global/regional indicators. These are derived from global/regional frameworks other than the Sustainable Development Goals and fill gaps in Sustainable Development Goal targets and/or indicators;

(c) National indicators. This level of analysis of impact is reserved for specific national indicators that may be relevant in the given context (based on country priorities).

28. The alignment of United Nations agency results with the Sustainable Development Goals using a common approach is necessary to avoid duplication and contradiction across the system.

29. **Strategic recommendations:**

(a) **The United Nations development system must become more accountable overall for delivering results, including collective results. Each result should be individually applied by relevant agencies and aggregated for all the agencies concerned in a country. Country-level results can then be aggregated to show the Organization's global contribution to the Sustainable Development Goals (the focus on common measurements and results does not prevent any United Nations entity from collecting and/or measuring its**

performance against additional performance indicators that may be unique to that entity);

(b) By the end of 2019, a system-wide online platform for monitoring and reporting on the contributions of the United Nations development system to progress in the implementation of the Sustainable Development Goals should be put in place. On the basis of a mapping of the multiple knowledge systems currently being used, the United Nations development system should build on the benefits of those instruments and develop a flexible and light but effective instrument that serves the needs of both internal and external users;

(c) The United Nations Development Group should take steps to ensure that it is in a position to present, by 2021, aggregated information on system-wide results, through the progressive harmonization of methodologies for data collection and reporting within the system.

30. **Implementing recommendations:**

(a) There should be annual reporting on system-wide results at all levels;

(b) Transparency regarding agency-specific expenditures and results should be reinforced through system-wide enrolment in the International Aid Transparency Initiative, to ensure that States and citizens are apprised of our expenditures.

Part IV: funding mechanisms to underpin these efforts

31. The ability of the United Nations development system to reposition itself effectively to deliver on collective results will critically depend on a corresponding shift in the way the system is financed that will help to broaden and expand the funding base of the United Nations development system. A strategically repositioned United Nations development system will need to be able to rely on system-wide financial instruments that are equally fit for purpose and reward and incentivize coherent support provided for core functions and the changes that the system is seeking to foster. The trend towards the continuous reduction of core resources, increased earmarking and unpredictable and short-term funding patterns, whereby core functions of the United Nations development system have become underfunded, needs to be reversed to create an environment that encourages collaboration, integration and the generation of synergies.

32. The status of funding arrangements, including pooled funding, must be urgently reviewed to better align resources with the delivery of the core functions needed to support the implementation of the 2030 Agenda, while enabling appropriate alignment and sequencing of financing for the achievement of short- and long-term priorities. In that respect, the development of an innovative financing platform that helps build the knowledge, capacities, expertise and resource base of the United Nations development system for innovative finance should be a priority. Funding mechanisms might include country-level contributions tied to specific results in the United Nations Development Assistance Framework managed under the direction of the resident coordinator, rather than to specific United Nations agencies, funds or programmes.

33. The effective delivery of collective results under the strategic document calls for greater investments in pooled funding mechanisms, particularly in support of core functions delivered by entities of the United Nations development system. System-wide flagship initiatives could also be financially supported through inter-agency pooled funds, managed by the United Nations Development Group Multi-Partner Trust Fund Office, administered by UNDP. The United Nations Development Group recently established a Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy, which is aimed at reaching significant scale to support resident

coordinators and United Nations country teams in accelerating progress towards the Sustainable Development Goals. The Joint Policy Fund is designed to serve as an example of how funding can effectively be linked to functions and collective outcomes — in this case, integrated policy support.

34. The United Nations development system will collectively further explore innovative funding approaches through a United Nations-wide innovative funding lab. Working together across the system in this area is necessary to achieve synergy and sufficient scale. To benefit from the opportunities presented by innovative funding, Member States could commit to providing seed funding for initial investments and support flexible arrangements for innovative funding solutions for the United Nations development system, including governance structures and appropriate accountability frameworks.

35. **Strategic recommendations:**

(a) **Funding compact: the United Nations development system should actively pursue a funding compact with Member States to strengthen and align core institutional support with the support being provided for core functions and results to be achieved in supporting countries in implementing the 2030 Agenda. The funding compact should clearly underscore the need for significantly greater financial resources to be made available to enable the United Nations development system to deliver the range of support that Member States will require in implementing the Agenda;**

(b) **As part of the funding compact, each individual entity would commit to specific actions aimed at system-wide transparency and accountability. This will include enhancing transparency on financial data, full compliance with existing cost-recovery policies, and reinforced commitment to allocate a greater share of resources to joint activities;**

(c) **Country-level pooled funding: United Nations country teams should actively pursue the establishment of country-level pooled funding mechanisms aligned with the results architecture of the United Nations Development Assistance Framework, rather than individual United Nations agencies, funds or programmes.**

Conclusion

36. Member States and the entities of the United Nations recognize the need for new ways of working. The United Nations development system recognizes the benefits of working coherently and being collectively accountable for results, while taking measures to increase outward-facing engagement and coherence with non-United Nations partners, which is required for the United Nations to contribute effectively to broader efforts at the country level. Whether it is working collaboratively across the Charter, taking a systemic view of interventions in support of the 2030 Agenda or working together to generate integrated policy support, the case for working in an increasingly integrated manner is more than obvious. The present system-wide strategic document provides an initial set of ideas for how such collaboration can be strengthened. Further efforts to strengthen collaboration and coordination will be undertaken in the coming years, building on the lessons learned from these initial actions and the feedback received from Member States.